

R E P O R T

FROM THE

SELECT COMMITTEE

ON

IRISH VALUATION ACTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX AND INDEX.

*Ordered, by The House of Commons, to be Printed,
12 November 1902.*

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1902.

IRISH VALUATION ACTS.

Ordered,—[24th June 1902].—THAT a Select Committee be appointed to inquire and report what changes in the Irish Valuation Acts are desirable in order to enable a re-valuation of rateable property in any district to be made on a basis equitable to all classes of ratepayers, and to be brought into force in an effective manner.—(Mr. Wyndham.)

[24th July 1902].—The Lord Advocate, Mr. Clancy, Sir John Colomb, Mr. Charles Douglas, Mr. Duke, Mr. Goulding, Sir James Hailet, Mr. Hemphill, Mr. Hozier, Mr. Lee, Mr. Lough, Mr. McCann, Mr. W. McKillop, Mr. Macartney, and Mr. Randles *nominated* Members of the Select Committee on the Irish Valuation Acts.

Ordered,—THAT the Committee have power to send for Persons, Papers, and Records.

Ordered,—THAT Five be the Quorum.—(Sir William Walrand.)

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R E P O R T.

The SELECT COMMITTEE appointed to inquire and report what changes in the IRISH VALUATION ACTS are desirable in order to enable a Re-valuation of Rateable Property in any district to be made on a basis equitable to all classes of Ratepayers, and to be brought into force in an effective manner;—HAVE agreed to report the Minutes of Evidence taken before them to the House, with a recommendation that a Committee be appointed in the next Session of Parliament to continue the Inquiry.

PROCEEDINGS OF THE COMMITTEE

Thursday, 17th July 1902.

MEMBERS PRESENT:

The Lord Advocate.
Mr. Clancy.
Sir John Colomb.
Mr. Charles Douglas.
Mr. Goulding.
Mr. Hemphill.
Mr. Hozier.

Mr. Lee.
Mr. Lough.
Mr. McCann.
Mr. McKillop.
Mr. Macartney.
Mr. Randles.

The LORD ADVOCATE was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday, 29th July, at Eleven o'clock.]

Tuesday, 29th July 1902.

MEMBERS PRESENT:

The LORD ADVOCATE in the Chair.

Mr. Hozier.
Sir James Haslett.
Mr. Clancy.
Mr. Randles.
Mr. Lee.
Mr. Hemphill.

Mr. Douglas.
Mr. Macartney.
Mr. Goulding.
Mr. Lough.
Mr. Duke.
Sir John Colomb.

Sir John Barton, C.B., was examined.

[Adjourned till Tuesday, 28th October, at Eleven o'clock.]

Tuesday, 28th October 1902.

MEMBERS PRESENT:

The LORD ADVOCATE in the Chair.

Sir John Colomb.
Mr. Hemphill.
Mr. McKillop.
Mr. Macartney.

Mr. Randles.
Mr. Goulding.
Mr. Lough.
Mr. McCann.

Mr. Alfred D. Adrian, C.M., was examined.

[Adjourned till Thursday next, at Eleven o'clock.]

Thursday, 30th October 1902.

MEMBERS PRESENT:

The LORD ADVOCATE in the Chair.

Mr. Goulding.
Mr. Hemphill.
Mr. Lee.
Mr. McKillop.
Mr. Lough.

Mr. McCann.
Mr. Macartney.
Mr. Hozier.
Sir James Haslett.
Sir John Colomb.

Mr. James Henry and Mr. Nicholas J. Synnott were examined.

[Adjourned till Tuesday next, at Eleven o'clock.]

Tuesday, 4th November 1902.

MEMBERS PRESENT:

The LORD ADVOCATE in the Chair.

Sir John Colomb.
Mr. Clancy.
Mr. Hemphill.
Sir James Haslett.

Mr. McCann.
Mr. Lough.
Mr. Goulding.

Sir John Barton, C.B., recalled, and further examined.

[Adjourned till Thursday next, at Eleven o'clock.]

Thursday, 6th November 1902.

MEMBERS PRESENT:

The LORD ADVOCATE in the Chair.

Mr. Hemphill.
Mr. Randles.
Mr. Lough.
Mr. Goulding.
Mr. Douglas.

Sir James Haslett.
Mr. McCann.
Mr. McKillop.
Mr. Lee.

Sir John Barton, C.B., recalled, and further examined.

Mr. Robert Russell examined.

[Adjourned till Wednesday next, at Eleven o'clock.]

Wednesday, 12th November 1902.

MEMBERS PRESENT:

The LORD ADVOCATE in the Chair.

Mr. Douglas.
Mr. Randles.
Sir James Haslett.
Mr. Clancy.
Mr. Hemphill.
Mr. McKillop.

Mr. Duke.
Mr. Lee.
Mr. Macartney.
Mr. Goulding.
Mr. Lough.

Mr. *Matthew McCusker* examined.

Sir *John Barton*, C.B., recalled, and further examined.

Mr. *James Dempsey* and Mr. *Walter Holder* examined.

The Room cleared. The Committee deliberated.

DRAFT REPORT, brought up and read the First and Second time, and agreed to, as follows:—

The SELECT COMMITTEE appointed to inquire and report what changes in the Irish Valuation Acts are desirable in order to enable a re-valuation of rateable property in any district to be made on a basis equitable to all classes of ratepayers, and to be brought into force in an effective manner—Have agreed to report the Minutes of Evidence taken before them to the House, with a recommendation that a Committee be appointed in the next Session of Parliament to continue the Inquiry.

Ordered.—To Report.

EXPENSES OF WITNESSES.

NAME OF WITNESS.	Profession or Condition.	From whence Summoned.	Number of Days absent from Home under Orders of Commission.	Allowance during absence from Home.	Expenses of Journey to London and back.	Total Expenses allowed to Witness.
				£. s. d.	£. s. d.	£. s. d.
James Henry . . .	Assessor . . .	Glasgow . . .	4	4 4 -	5 16 8	9 14 8
Nicholas J. Symmott . .	Railway Director . .	Nass, co. Kildare . .	2	2 2 -	—	2 2 -
Robert Russell . . .	Journalist . . .	Dublin . . .	2	2 2 -	4 15 -	7 15 -
Matthew McCusker . .	Spirit Merchant . .	Belfast . . .	6	6 6 -	9 11 -	15 17 -
James Dempsey . . .	Merchant . . .	Belfast . . .	6	6 6 -	2 - -	14 6 -
Walter Bolder . . .	Hotel Proprietor . .	Dublin . . .	3	3 3 -	4 7 -	7 10 -
					£.	57 5 8

LIST OF WITNESSES.

Tuesday, 29th July 1902.

[illegible]

Thursday, 28th October 1902

Mr. Alfred Douglas Adrian, C.B.	- - -	9
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Thursday, 30th October 1902.

[illegible]

Tuesday, 4th November 1902.

[illegible]

Thursday, 6th November 1902.

[illegible]

Wednesday, 12th November 1902.

[illegible]

MINUTES OF EVIDENCE.

Tuesday, 29th July 1902.

MEMBERS PRESENT:

The Lord Advocate.
Mr. Clancy.
Sir John Colclough.
Mr. Charles Douglas.
Mr. Duke.
Mr. Goulding.
Sir James Haslett.

Mr. Hamphill.
Mr. Homer.
Mr. Lea.
Mr. Lough.
Mr. Macartney.
Mr. Randall.

THE LORD ADVOCATE IN THE CHAIR.

SIR JOHN BASTON, C.B., called in; and Examined.

Chairman.

1. You are the Commissioner of Valuation. I think—or what is your exact title?—I am the Commissioner of Valuation and Boundary Surveyor of Ireland.

2. Now I think you have furnished to the Committee, have you not, a statement as to the history, method, and practice of valuation for rating purposes in Ireland?—I have done so.

3. I propose to put that in as the first portion of your evidence, and I shall now ask you a few questions upon it. First of all, you are of course very familiar with the special Report on Valuation in Ireland which was issued by the Commissioner of Local Taxation?—Yes.

4. And to a great extent the historical part of that Report goes over the same ground as your statement which you have now put in?—Yes.

5. I think we may pass over, as being really merely of historical interest, what you mention as the first Government valuation and the second Government valuation?—Yes.

6. Because I think I understand rightly when I say that the third Government valuation is the current method of valuation and the only current method of valuation?—That is so.

7. You deal with that under its heading, and you set forth the various prices of cereals and meat; upon the average of which the valuation was to be made?—Yes, the valuation of land.

8. Would you just explain, please (because I do not think it is quite apparent to those who are not familiar with it) what these prices really mean; I mean how they enter into the mode of
0.25.

Chairman—continued.

valuation at all?—The prices named (which were attached to the Act) are the average prices of the different agricultural products taken from fairs (40 fairs I think it was) in Ireland during the preceding three years before the Valuation Act was passed. The reason, I take it, that this scale of prices was laid down as a basis on which the land value was to be made was to ensure uniformity. A valuation takes a great number of years to make—this valuation was really begun in 1830 and finished in 1865.

9. When you say "this" you mean Griffith's?—Griffith's. This particular valuation took from 1852 to 1865 (13 years) to make. Of course the prices of agricultural produce change very much; there are periods of years in which produce becomes very much higher in value and other periods when it goes down. To prevent those changes influencing the valuers at the different periods at which they make the valuation, a certain scale of prices is laid down in the Act as the basis on which they are to calculate the value of the land, in agricultural holdings.

10. May we put it in this way: When the valuer is occupied with a certain field which is capable of growing a certain crop he is directed to value, not upon the assumption that that crop will fetch the price of the day at which he is valuing, but that it will fetch the price which is shown in this schedule?—Exactly.

11. And by that means, of course, you get uniformity of the same quality of land even although the valuation of one field may be in one year, and the valuation of another (in say another part
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Sir J. BARTON, C.B.

[Continued.]

Chairman—continued.

part of Ireland) may be in another year?—Yes, that is the intention.

12. But still, although that is given as a guide, of course the real method of valuation there depends, I take it, upon the skill of the man who values the land, and who from his experience and skill calculates that it will bring in a certain produce?—Yes.

13. Now I notice that in the system as you set it out there is no re-valuation, in the strict sense of the term, at present?—Not in the strict sense of the term.

14. Of course the Valuation Lists are so to speak new every year; that is to say, they are delivered every year?—That is so.

15. I mean you, as the superior officer, are not, so to speak, charged with the duty of altering the list each year if it seems good to you?—My duty is confined to revaluing the cases set out in the lists sent to me by the rating authorities.

Mr. Clancy.

16. Revising?—Yes, revising or revaluing; it is a revaluation really.

Chairman.

17. The lists sent to you by the rating authorities?—Yes, of the rateable hereditaments which they consider require revision or revaluation.

18. I accentuate that, Sir John, because when we come to other systems of valuation in other countries it is quite conceivable, of course, that you might put upon the official the duty, so to speak, of revaluing each year at his own hand, if he thought, of course, that there was necessity for revaluation?—Yes.

19. The result, of course, of the present system in Ireland has been that with respect to the land the valuation is, obviously, very much out of date?—That is so.

Mr. Hemphill.

20. What do you mean by "out of date"?—The valuation of land was made forty years ago.

Chairman.

21. Perhaps it is rather hard on you, Sir John—I put the word into your mouth—but by "out of date" what I meant was that it did not correspond to the real value as it is at present; is that so?—Yes.

22. And has that had also the effect of dislocating the original proportional relation between the value of land and the value of houses?—To a large extent it has.

23. Now speaking, so far as you can, as to opinion, is it your belief that there is a general consensus of opinion in Ireland that a revaluation of the country for rating purposes is desirable?—That is my opinion.

24. And I suppose the principal groundwork of that opinion would be the fact that we have just elicited—namely, that the valuation itself is so old?—Yes, that is one of the principal reasons.

25. That the annual revisions have been necessarily of a restricted nature, and that at present

Chairman—continued.

there is no power of making any alteration in the valuation of land?—No.

26. While, of course, there is power of making alteration in the valuation of buildings?—Yes, of all other rateable hereditaments.

27. Is it the case that the reason why each year may make a greater discrepancy between the old proportional relations between the valuation of land and of hereditaments other than land is this—that the statute itself prescribes that it is not possible to alter the value of a town-land?—That is so.

28. Whereas you may and do alter the value of other hereditaments?—Yes.

29. Now, although land is statutorily stationary, as you have explained, in point of fact has the value of land altered considerably since the date of the valuation being taken?—In certain districts it has.

30. I mean in certain districts?—Yes.

31. I suppose, through improvement and drainage and so on, the value of certain land has considerably appreciated?—Yes.

32. And doubtless also in some other districts there will be cases where the value of land has depreciated?—That is so.

33. By reason of flooding and moving hogs and that sort of thing?—Yes; stoppage of drainage, for instance.

34. Then has there been practically a difference in what one may well the alertness of the rating bodies in various parts of Ireland; I mean upon the question of bringing before the notice of the valuer possible revisions?—There has in some districts; in the larger towns the rate collectors have returned what I may call very full lists.

35. They have been more wideawake, in fact?—They have been more wideawake, and in some counties the same remark applies; in others there has been a good deal of supineness, and they have not returned anything like the number of cases in which revision was advisable. There is also a matter in connection with that that I should like to mention—it is, that there has been a feeling in Ireland ever since the valuation was made that where no structural change was made the valuation could not be revised. That feeling, I think, has been universal through the country; and the result has been that unless there has been a structural change noticed by the rate-collectors they have not brought the case before me.

36. Even although, of course, there may be cases where a house, for instance, may largely increase in value without any question of structural changes?—In cities that is particularly so.

37. Exactly; due, for instance, to a neighbourhood becoming more fashionable than it had been before?—Yes, in streets where the ground value has doubled and trebled, and perhaps quadrupled, in the last twenty or thirty years.

Mr. Hemphill.

38. I suppose that answer only applies to buildings, does it?—No; there has been a good deal of supineness in connection with bringing under my notice the changes in the valuation of

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Sir J. BARTON, C.B.

[Continued.]

Mr. Hemphill—continued.

of other rateable property. Railways have remained at the same value in Ireland in some instances for the last thirty or forty years, though their receipts have perhaps more than doubled in that time; but in the last few years I must say that has been rectified to a very large extent by the rating authorities.

Chairman.

39. There have been (I only mention this in passing, because we have nothing to do with it) various attempts at re-valuation Bills, which have never got into law, I think?—That is so. There were three Bills brought in.

40. In 1865, 1873, and 1877, I believe?—Yes.

41. And in the Local Government Act, 1898, there is a provision for the re-valuation of the six county boroughs of Ireland?—Yes.

42. That is to say, to take place when the rating authorities interested ask for it, and agree to pay a portion of the cost?—Yes.

43. It was under that provision, I think, that the Belfast re-valuation was set on foot, was it not?—That is so.

44. Of course, you are naturally also familiar with the final Report of the Royal Commission on Local Taxation, as well as the Interim Report?—Yes.

45. They reported, as a matter of fact, that they considered that there should be a general revaluation, and that in regard to land it should be based upon letting value?—Yes.

46. In Section 65 of the Local Government Act the words are, are they not, that the land within the county borough boundary shall be valued in the same manner as houses and buildings, namely, the rent for which, one year with another, the same might in its actual state be reasonably expected to let from year to year, the probable average annual cost of repairs, insurance, and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes, and public charges, if any (except the rent charge), being paid by the tenant?—Yes. That is practically the same basis of valuation as is prescribed for houses in the Valuation Acts.

47. Which of the county boroughs have availed themselves of the option to apply for the revaluation?—Belfast and Dublin.

48. Those are the two largest towns, of course, in Ireland?—Yes.

49. Now, if we grant the proposition for the moment that it is expedient—I mean, you assume the proposition for the moment that it is expedient—that there should be a general revaluation in Ireland, the two questions that seem to arise are—how it is to be carried out, I suppose, and what legislation is necessary to enable it to be done in an equitable and satisfactory manner?—Yes, I think so.

50. In considering this, let us take the general question first. In any valuation who are the parties principally interested?—The rating authority and the individual ratepayer.

51. And their interests are a little different, are they not?—They do not generally coincide.

52. Speaking generally, it would be the interest

Chairman—continued.

of the rating authority, I suppose, to keep the valuation high?—Yes.

53. So as to admit of a low rate of poundage to raise a particular sum?—Yes.

54. And as a consequence and corollary of that, of course, to have a larger amount of rating power and borrowing power?—Yes.

55. Whereas, of course, the individual ratepayer always wishes to keep his valuation low?—In nearly every case.

56. But, of course, so far as he is concerned, his real interest is mainly the question of his proportional relation to his neighbour rather than the mere question of the sum which he is put at?—I think he generally looks upon the point really from the light of his own particular valuation.

57. Quite; and no doubt, being a simple man, he does not think of these things; but, still, it is a fact, is it not, that it is the proportional interest that really matters most?—It is the fact.

58. Of course, your Irish system has always been a central system?—Yes.

59. Is it your view that that should continue?—I think so.

60. Would you specify in a few words what you think are the principal advantages of a central system?—I think the first great advantage is that you have the valuations in every part of the country made on exactly the same basis; whether they are high or whether they are low, they are all relative, or should be relative, if they are carried out in a proper way; you have a body of professional valuers, with no interest whatever in making them high or low, engaged on this work, men of experience who have passed an examination in surveying and valuing, and who have been taught by the senior men in the Department, and who are only employed when they are thoroughly competent to do the work. They carry out that work under a series of instructions from me, and every case in which any difference arises which they consider the instructions do not quite cover is referred at once to the central office. The result is that you get a uniform system of valuation over the whole country. That is the great advantage. Another great advantage is that in our central office we have all the details of the original valuation—how every field was valued, particulars of the soil and subsoil; and every change that has been made in any valuation since that time (that is since 1850) carried out through the annual revisions, is collected in the office; therefore anyone having an estate or occupying a holding can apply to the Valuation Office and get the whole history of his holding from the time of Griffiths' valuation. We find that that is a matter of the greatest importance, and this information is largely used by the public and by the Courts. That you could not have unless you had this central authority.

61. There is another consideration, is there not, that there is a certain class of property (for instance railways and canals I allude to specially) in which it is really as necessitate rei almost that there should be a central authority for valuing?—I think so. I do not see how the work could be done efficiently in any other way than through a

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central

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Sir J. BARTON, C.B.

[Continued]

Chairman—continued.

central authority. In Scotland it is done through a central authority, and it has now been recommended by the Royal Commission on Local Taxation that the same system should be adopted in England.

62. Assuming, then, that we grant that point, that the re-valuation and valuation will be best committed to a central authority, upon that assumption, you would have, of course, to settle the basis on which it is to be made and the mode of procedure?—Yes.

63. In your view, is there any sound reason for valuing land and other hereditaments upon a different basis?—I do not think so. I think they should be valued on the same basis.

64. And of course that basis, I take it, ought to be "value," however you are to get at that?—The letting value.

65. Yes. I do not wish to take you, of course, for one moment into other systems (we will leave others to do that), but of course you are aware that the letting value is the basis of value in both England and Scotland?—Yes.

66. Of course, when you come to that in Ireland, you are at once driven to consider the different position of Irish land—I mean in the relations of landlord and tenant?—Yes.

67. The different statutory position from land in England and Scotland?—That is so.

68. A large amount, of course, of the rents of Ireland are fixed by a statutory tribunal?—Yes.

69. Now would you just tell us your view of how you should address yourself to the problem of the valuation of land which is in the position that land is in in Ireland, where a rent has been fixed by a statutory tribunal?—The Land Commission (who are the tribunal referred to), when they value a holding, issue a document which shows the value of the holding as it would be if it were in the landlord's hands. When I say they issue that document, they do so since the Act of 1896 was passed. They, in the same document, set out what is called the "fair rent." The difference between the sum which they set out as the rent, if the holding was in the landlord's hands, and the fair rent is interest on the tenant's expenditure for improvements, such as the building of a house, the making of drains and fences, and whatever may be considered improvements by the Land Commission at the time they visit the holding. It seems to me that in those cases where the Land Commission have fixed that first-named sum (namely, the value that it was in the landlord's hands) is might be taken.

70. May I just interpose for one moment? When you say the value as it is "in the landlord's hands," that, I understand, is the yearly value, not a capital sum?—The yearly value.

71. Yes, go on?—That that sum with some modifications in special cases might be taken as the lettable value, and that land in which these rents had not been fixed, or land in hands in which the rent will never be fixed, might be valued relatively; that is to say, in a certain district there will be, perhaps, a dozen farms in

Chairman—continued.

a town land, say half a dozen of them valued by the Land Commission under that Act of 1896; it would not be hard for a valuer to say how far the remainder of the land lying adjacent to those farms was of a similar quality.

72. Quite so?—And in that way arrive at a fairly equitable and relative valuation of the remainder of the town land.

73. Of course that system of valuing land would be, practically, more easily done if you began your revaluation of Ireland with the towns, and went to the country last, because, no doubt, some of these rents would have been fixed under the Act of 1896?—That is so; and not only for that reason would it be advisable, but there is also the fact that the Ordnance Survey Office are now making a survey of Ireland on the 25-inch scale (resurveying the country), and only a portion of it is done. When that is completed it will facilitate the work very much, because one of the most important things in making a revaluation of Ireland will be to check the boundaries of the holdings, so that the boundaries of every holding in Ireland shall be correctly shown on the maps, and that the correct area of each shall be set out in our valuation lists.

74. Of course this document, that you say is promulgated by the Commission sitting under the Act of 1896, really is their view of what the holding would bring if it was in open market without the question of the division of the interest between landlord and tenant?—I cannot say that.

75. Well, let us be quite clear as to just exactly what the "value" that is put by this document means?—There is another interest which is claimed called "tenant right." The tenant right includes the interest in the tenants' improvements; but it is contended that it includes something more which is not set out on the schedule.

76. Yes. Of course I do not want to complicate the matter more than is absolutely necessary, and I am very far from wishing to get into a discussion upon tenant right, but for the moment the whole value of course (whatever it is) is in the land. I mean let us ignore the landlord and the tenant for the moment?—Yes.

77. The value is in the land?—Yes.

78. Suppose that with any particular piece of land you had, so to speak, a clean slate—supposing you could find a piece of land (I am putting a hypothetical question which I know is not practicable) which was derelict?—Yes.

79. Which was being given out for the first time—that land of course would have a value?—Yes.

80. Now is it not just that which is the value which is promulgated by this document?—I think so.

81. You think it is?—I think fairly so.

82. I want to know how the Commissioners got at that. There is a value which is promulgated by the Commissioners, as I understand, which is a different value from the fair rent?—Yes.

83. It is that value which you think ought to be taken?—That is so.

84. Of course for our immediate purpose—the

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[Continued.]

Chairman.—continued.

the question of value—it does not matter. I mean in discussing this matter—whether the division of that between the landlord and the tenant (which is made of course by the striking of the fair rent)—is a fair one or is not?—No.

85. As I understand, this document does not fulfil any function except the function of calculation, in the list which is eventually to be reached by the fixing of the fair rent; is not that so?—It presumably sets out the process by which the fair rent is arrived at.

Mr. Clowry.

86. Could put you in one of these documents?—No, they are not in my department, but I have no doubt the Land Commission would put one in.

Chairman.

87. I have no doubt you could get us one?—Yes.

88. As far as I can see, this is your suggestion (it may be a good suggestion, or it may be a bad one as to how to deal with land which is in the position of land on which a statutory rent is fixed by a statutory tribunal?—Yes.

89. Why, in your opinion, would it not do to take the fair rent as fixed, as representing the value of the land?—For this reason—that it is most desirable—in fact, necessary—that the value of houses and lands should be made on the same basis. The value of land as set out in the Fair Rent Schedule (the Fair Rent Value)—does not include all that is rateable in the holding.

90. Exactly?—It only includes one interest; the other interest is also rateable, and therefore ought to be included if you are to have relative Valuation.

Mr. Hemphill.

91. But must not you have a different valuation in respect of the land, and the buildings; must it not be discriminated for the purposes of the Local Government Act?—They must be set out separately in different columns.

92. Take the case of a farm. Now, for the purposes of rate paying, is not there a separate valuation of every holding of the land, and a separate valuation of the buildings?—Yes, certainly.

93. Or what is called “buildings”?—Yes, that would continue.

94. And that regulates the liability to deduct or not to deduct by the tenant from the land lord?—That is so.

95. Under the Local Government Act would not it be necessary always, no matter what system you adopt, to discriminate in that way?—Certainly.

Chairman.

96. I did not understand that you proposed that there should be any alteration in that?—Oh, no, I did not.

Mr. Hemphill.

97. And for the whole farm, to discriminate?—Then you divide the one from the other—the houses from the land.

Chairman.

98. Just to bring the matter to a close upon that point, let me put it in this way: In your view is it necessary in any equitable system that the true basis of valuation of all hereditaments should be the same?—Yes.

99. Whether they happen to be such hereditaments as can have a rent fixed for them by a statutory Court, or whether they are such hereditaments as cannot?—Yes.

100. And therefore if you took the mere fair rent as representing the value, would that in your view be an injustice to the person who has a town holding in which fair rent cannot be fixed by the statutory tribunal?—I think so.

101. I think we have already got down your view that for the practical reasons which you have set forth it would be best to begin with the towns and leave the country over?—Yes.

102. Is it the fact that another reason is this, that the most glaring inequalities at this moment exist in the towns?—Certainly.

103. Now in dealing with towns I want to ask you a question or two about particular subjects. In the first place, what is the position at present about the valuation of licences, or rather the value that is represented by licences?—In Ireland up to the present the increased value that a licensed house possesses on account of the licence which it holds is not taken into account in arriving at the rateable valuation.

104. What is your view as to the proper way in which that question should be dealt with?—I think that if it is legal (as I believe it is) that these licences should be taken into account as they are in England.

105. And Scotland?—And Scotland—that they should be valued. I think it is an injustice to the other ratepayers that they are not.

106. Of course the result of their not being valued, obviously, is that the other ratepayers must have to pay so much more?—That is so.

107. Then on another point altogether. I think your exemption law in Ireland is in rather a different state to what it is in England and Scotland—the law of exemption?—Yes. The celebrated Mersey Docks case confined the exemptions in England very much indeed, practically confined exemption for public purposes to property in the hands of the Crown or property occupied by their servants. In Ireland it has been held that the words “public purposes” which occur in the Valuation Acts have a much broader meaning; and in the rather well-known case of the Londonderry Bridge this meaning was given to it—this broader meaning. The result has been that a very large amount of property has been exempted in Ireland which would not be exempted in England or Scotland; property such as the property of Harbour Commissioners, public offices, lunatic asylums—property of that kind. In the same way in regard to charitable institutions. The meaning has been taken in a broader sense in Ireland, and a great many institutions are there exempted as “charitable” which would not be exempted in England or Scotland.

108. Then

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[Continued.]

Chairman—continued.

108. Then in your view would it be well in any new valuation legislation that the old definition of "exemption" should be taken away, and that there should be a new and somewhat stricter provision as to exemption?—I think certainly in regard to public purposes that should be so, and possibly in regard to charitable purposes.

109. May I ask, are the clauses many on which these decisions have been given; I mean are there many exemptions scattered up and down through the Acts on which a decision has been given?—Oh, no. There are practically two clauses.

110. Perhaps you would give us a reference to what those two are?—Yes. The first is in the Act of 15 and 16 Victoria, cap. 63, Section 16.

111. I see it is not very long:—"For the purposes of such valuation no hereditaments or tenements or portions of the same shall be deemed to be of a public nature, or used for such charitable, scientific, or other purposes as hereinbefore specified, within the meaning of this Act, unless such hereditaments or tenements or portions of the same respectively shall be altogether of a public nature or used exclusively for such charitable, scientific, or other purposes aforesaid."

—The reference is to Section 12. You will see it just mentioned there as to what is not rateable—Section 12 of the same Act.

112. What other clauses are there?—Section 2 of 17 Victoria, chapter 8.

113. Now to pass to another topic. In relation to any new valuation legislation, have you a suggestion to make as to some provision which should allow the valuation lists while they are being made up to be acted on at once?—I think that would be absolutely essential. When the provision was made for the valuing of the six county boroughs under the Irish Local Government Act, an enactment Order was published—an Order in Council; it is called the (Adaptation of Irish Enactments) Order. In that it was set out that when the valuation lists were issued they should be acted on at once, and that afterwards, if any alterations were made on appeal, those should be given effect to by the rating authorities; that is to say, that if any particular valuation was decreased a remission of the rates on the amount of the decrease should be made to the person interested, and if it was increased that they should pay the additional rate. The Courts in Ireland held that that clause only referred to the annual revision, and not to a revaluation.

114. Not to the revaluation itself?—No. The result is that under the statutes as they at present stand (having that decision of the Courts before one) no valuation list issued after a revaluation can come into effect until the last appeal is heard; that may be not for some years, and by the time the new lists come into force the revaluation is practically obsolete.

115. A little out of date itself?—Quite out of date itself; in fact, it would be ineffective.

116. It obviously paralyses the effect of the revaluation?—Of course it does.

117. So that you think that little omission ought to be put right?—Yes.

Chairman—continued.

118. Then you have already given us your view as to how to deal with land which is in the position of having, statutorily, a rent fixed, and you have indicated that where land is not in that position you would really proceed by analogy from the land that was in that position?—That is so.

119. Would it be necessary, do you think, to make provision for altering the valuation where something has actually happened to alter the character of the land from time to time?—I think that after that revaluation has been made, and when the annual revision is being carried out each year, there ought to be power under exceptional circumstances to raise or lower the value of land. Cases where this would be desirable have occurred several times lately (in some of them land had been washed away by the sea). Well, I have in some of those cases struck out the value, where I have found that the land has disappeared altogether; but it is very questionable whether I was strictly within the law in doing so. I think that ought to be made legal.

120. At any rate, there might be a case where to take the view that it disappeared altogether would be to go beyond the necessities of the case, but where at the same time the value was considerably deteriorated?—Yes. In the same way a reclamation scheme might be carried out, and land which was practically of no value before, or very small value, might be made more valuable; I think there ought to be power in those exceptional cases, in justice to the other ratepayers of the district, to raise or lower the valuation of the land of particular holdings.

121. Instead of, as at present, being bound to keep the total valuation always the same?—I think the power ought to be very limited—only to be used in exceptional cases.

122. Yes, quite. At present this seems anomalous—that fisheries can be, and are, valued, and game cannot?—Yes. I think they should be put on the same basis.

123. Shootings, for instance, that are let?—Yes.

124. The letting of shootings cannot be valued in Ireland at the present time under the law as it stands?—No; fisheries are mentioned and shootings are not.

125. Then at present, is it the case that farm outhouses or office buildings do not come into the valuation list for seven years after their erection?—That is so.

126. Is that an anomaly now?—I think the period named for exception is too long, if it were three years it would be quite sufficient. It is hardly fair to the other ratepayers to give them so long as seven years.

127. Then, upon the assumption that you are still to continue the method of sending up a list for revaluation each year, would you suggest that anyone else besides the rate collectors and the ratepayers should be allowed to put cases on that list? I think the Excise authorities should have power to do so—as they have in England. They have really much more power in England than they have in Ireland.

128. Then

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[Continued.]

Chairman—continued.

128. Then I think there was a recommendation of the Royal Commission on Local Taxation that the appeal from Valuation Lists so far as value itself only is concerned (that, I take it, is upon the question of fact) should apply to an award of the Commissioner on Valuation?—That was their view.

129. That would necessitate a change in legislation, would it not?—That would necessitate further legislation.

130. I think we may give you sufficient credit not to magnify your office, to have a view of this, independent of the fact that you would be the judge. Do you think that would be a good plan? I mean, do you concur with the Royal Commission there, or do you not?—I do, because, in Ireland outside my Department there are very few professional valuers and surveyors—hardly anyone that a county court judge can call in, as he can in England, to assist him on questions of value. The result is that he is left entirely to the evidence that is brought before him; he is not an experienced valuer himself—in fact he knows nothing about it himself very naturally, and he is left to decide this question which has been decided by, presumably, the highest authority on valuation in the country.

130*. Naturally you would allow an appeal on any question which could be taken as a question of law?—Certainly.

131. Then I suppose you would certainly suggest that any new legislation should deal with this question of exemption which we have already dealt with?—Yes, certainly.

132. Would you be inclined to give a sort of discretionary power to the local authority, or somebody of that kind, to remit valuation for a certain period upon new structural reconstitutions— with a view, I mean, to encourage building and improvement?—I think it would be very desirable. There is a feeling now—in the towns especially—that if a man makes any improvement in his house his value is at once put up very largely above his neighbours, and that naturally acts as a deterrent to progress and improvement; I think it would not be at all an unfair thing to give a period of three years for the valuation to be increased to its full value—a third to be added each year, so that a man would arrive at the full value the third year.

133. And then, lastly, would you make a provision for a general revaluation at certain stated periods?—Yes.

134. I suppose the country would not probably need it so often as a town?—Oh, no.

135. Could you indicate any period of years?—I think if it were every thirty years in the country it would be quite often enough, and in the towns it should be, say, every twenty years, except where the town has increased very much and building is going on very rapidly, that then the rating authority should have power to ask for a valuation, say every ten years.

136. I have only one other matter to ask you some questions upon which is different. It has, I believe, been suggested, or feared, that if you had a new valuation in Ireland, and thereby raised the

Chairman—continued.

valuation, it would prejudicially affect Ireland in the matter of income tax?—It would to some extent.

137. I just want to follow that up for a moment. Of course the only taxes it could have any effect upon would be the tax under Schedule A and the tax under Schedule B?—That is so.

138. So far as Schedule B is concerned is the contribution in Ireland under Schedule B exceedingly small?—About £28,000 a year.

139. Just give us the reason of its being at such a minute figure as that under Schedule B?—The value of a holding for taxation under Schedule B is calculated as one-third of the rateable value—that is to say, the profits that the man is supposed to make out of his holding is one-third of the rateable value.

140. Yes?—As you are aware, all incomes under £150 are exempt from rating.

141. They are free?—Therefore no holding that is under £480 valuation pays any income-tax unless the man has an income outside his holding.

142. Does not pay any income-tax under Schedule B?—No; the number of holdings in Ireland that are taxed under Schedule B are few.

143. Now I pass to Schedule A. Under Schedule A, of course, if there was an increased valuation naturally there would be more paid under it?—There would—yes. In Belfast, under the revaluation that has been made—and, I take it, in the other cities too—the great increase in valuation is in the business houses which are in the centre of the town, and where the ground values have enormously appreciated. Those business houses all pay income-tax under Schedule D and under Schedule A. Under Schedule D they pay on the profits (which is entirely outside the valuation); under Schedule A they pay on the valuation of their houses. The Income Tax authorities only calculate the income tax on the largest of those two amounts; therefore, as is nearly always the case, if a man has a business and is paying under Schedule D, and his valuation under Schedule A is increased, it simply means that his tax remains the same, but that a portion of it is transferred from Schedule D to Schedule A; no increase in income-tax accrues.

144. In other words (I do not know whether the whole Committee are familiar with it—some are probably, and some are not) you never pay under D and A together where the property is part of your business, and you really deduct the tax under Schedule A from your tax under Schedule D?—You do not pay twice over on the same property.

145. No; therefore does it come to this—that in your view the increase, such as it is, has been considerably exaggerated in apprehension?—Oh, very much.

146. Of course, if you were valuing upon the basis which you have suggested—that is to say, annual letting value—wherever you get it, I mean—in the town, and the other arrived at as you say, that, of course, is just the basis that property is valued on in England and Scotland at this present moment?—Yes.

147. A.

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[Continued.]

Chairman—continued.

147. A tenant where you have got one; a hypothetical tenant where you have not got one?—That is so.

Mr. Duke.

148. I do not quite understand at the moment why, in your Irish practice, you are not able to readjust what one may call your parish or townland valuations as distinguished from the valuations of individual property. Is that the result of some clauses in your Acts?—Yes; perhaps I had better read the clause in the Act. It is 17 Victoria, Chapter 8, Section 5. It explains that the Valuation Lists are to be issued each year after revision, and it goes on to say "and the person making such revision shall have regard to the total valuation of the lands independently of buildings, within each respective townland or other denomination, as finally decided on by the Commissioner of Valuation or by the Court at any General or Quarter Sessions of the Peace, under the provisions of the firstly hereinbefore-mentioned Act, and shall not increase or lessen such total valuation, except in cases in which a clerical error shall have been discovered when the same may be rectified."

149. The result of that is to get a true valuation once arrived at, and then, as natural and social changes take place, it becomes an artificial valuation?—There is no change made in the value of any holding.

150. How do you adjust your total when you vary your items?—We do not vary our items.

151. As I understand what you said just now, you get representations made to you by the local authority as to inaccuracy of valuation?—Yes.

152. And you re-assess?—That is so, but that only refers to hereditaments other than land; they do not send us any cases for revision of the land valuation except where we are to divide or amalgamate holdings.

153. So that the valuation of land is a fixed quantity upon the old valuation?—That is so.

154. And your view, as I understand, is that it would be desirable to have something more nearly approaching the English system by which you get all hereditaments rated; and all hereditaments rated as much as you practically can upon their actual value?—That is so.

155. With of course some provision against fluctuations and unnecessarily frequent changes?—Yes.

156. On the matter of procedure, do you think Irish people generally are satisfied with the procedure as it is?—Well, I think the fact of the number of appeals we have each year rather proves that.

156* Would those be appeals to the Commissioner or appeals to the county court judge or to a judge at Quarter Sessions?—In the first place they all appeal to the Commissioner; and I think I have set out in that statement that I have furnished to the Committee the number of appeals that there are each year on an average to the Commissioner.

Mr. Duke—continued.

157. Then could you tell me upon that: In addition to that is there a considerable number of appeals at present to the county court judge?—I think the average is under ten a year.

158. So that it is not a right that is frequently resorted to at all?—No; that is the average out of about 40,000 cases.

159. Do you think the income tax proposal is one which touches political as well as pecuniary considerations?—What would you call "income tax proposals?"

160. Your proposal to value on the basis of income tax. You say you vary your valuation; you seem to regard it as a corollary of that that you should vary your income tax payment to some extent; you say it would not be large; do you think that touches political questions as well as pecuniary questions?—I suppose it would.

161. So that that would make a difficulty, would it not?—That I cannot say.

162. But the amount involved is very little, you think; you think nobody would get much by it?—I do not think it will be at all as large as is generally assumed; but it would be impossible to give any estimate of what it would be.

163. But it does touch the question of how much Ireland ought to contribute to Imperial taxation?—Yes.

164. Which would be likely to cause some trouble if it were a serious matter or a large matter?—Certainly.

Mr. Rudfies.

165. Did I understand you to say that a harbour was exempt from rating in Ireland?—Yes.

166. If it is a harbour that is working for profit?—Yes, under Harbour Commissioners—it is working for profit; but of course the profits are largely spent on the harbour itself.

167. There might be a dock company, for instance, owning a dock, levying dues and charges, and the rest of it, and paying dividends on the capital?—The property of the Harbour Commissioners of Belfast is exempted, as are also the harbour works of Dublin.

Mr. Hemphill.

168. Are they exempted as being for "public purposes"?—Yes, for "public purposes."

Mr. Clancy.

169. Have you made now all the suggestions for changing the law which you contemplate?—Generally speaking, I think I have as far as I know.

170. Do you know, is there any other Government official going to give evidence?—I am not aware of any.

171. Not from your office?—I did not contemplate giving any further evidence from my office.

Tuesday, 28th October 1902.

MEMBERS PRESENT :

The Lord Advocate.
Sir John Colomb.
Mr. Goubbling.
Mr. Hemphill.
Mr. Lough.

Mr. McCann.
Mr. W. McKillop.
Mr. Macartney.
Mr. Randles.

THE LORD ADVOCATE IN THE CHAIR.

Mr. ALFRED DOUGLAS ADRIAN, C.B., called in ; and Examined.

Chairman.

172. You are, and have been for some years, I think, the legal adviser of the English Local Government Board?—Yes.

173. And, previous to being the legal adviser, you were for a long time an Assistant Secretary in that Department?—Yes.

174. I think you were asked by myself to come here and be kind enough to give us some evidence about English methods of valuation for rating purposes?—Yes.

175. Now I believe the English system is not a uniform system?—No. There are several distinct systems of valuation ; and, for the purposes of local rates, the general law has set up three principal systems.

176. What are those?—The system set up under the Union Assessment Committee Acts, 1862 to 1890, operates, outside London, with regard to rates for the relief of the poor and rates required by law to be based upon the poor-rate. In London the system is that authorised by the Valuation (Metropolis) Acts, 1869 and 1884. A special feature of this system is that it applies not only as regards rates, assessments, and contributions levied on the basis of value, but also with respect to the House Tax and Income Tax on lands, tenements, and hereditaments, where the tax is charged on gross value and not on profits. The third system is concerned with the basis or standard for County rates or County contributions. In this system, which extends to the areas outside London in which County rates or County contributions are leviable, the process of valuation is limited to the fixing of the value of each parish as a contributory area. The process does not apply to the estimate of the value of individual properties in the parish. In addition to these principal systems, it is perhaps as well to note that, besides the exceptional methods which are occasionally to be found in force under local Acts, there are under the general law various modes of valuation authorised for special purposes. Thus, under the Municipal Corporations Act, 1882, a Town Council, if they think that the valuation list in force is not a fair criterion of value, may cause an independent valuation to be made for the purpose.

Chairman—continued.

poses of the Borough rate. Again, there are special arrangements for valuation in the case of contributions to the expense of the Metropolitan Police as regards the district outside London. Lastly, the Agricultural Rates Act of 1896, in relation to the period of five years after the 31st March last, contains provisions for the separate valuation of agricultural land in the case of certain rates.

177. Now, just pausing there, for one moment. What you have said comes to this, among other things, does it not—that in England the system of valuation is—always I may say—determined by the Statute authorising the taxation?—Quite so.

178. Then, putting aside this manner of exceptional methods of valuation, it comes to this, does it not—that there is one system of valuation for the Metropolis for all purposes?—Quite so.

179. But that, roughly speaking, in the counties there are always two—one for the Poor Law (the assessments following the Poor Law)—and the other for the county rate?—Yes. There is a special standard or basis for the county rate—or, perhaps, more properly, county contributions.

180. County contributions?—Yes.

181. Now there is just one territory which does not seem to be exhausted by that method of enumeration. I should like you to tell us what is the case, first of all in large towns, such as (say) Liverpool, Manchester, and so on—are they regulated by their own Acts, or what?—Of course, in the case of Liverpool, the question of county contributions would not arise, except for the limited purposes contemplated in S. 33 of the Local Government Act, 1888; because Liverpool is a county borough, and is, therefore, outside the area of county contribution.

182. May I take it then in this way, instead of saying "Liverpool" by name: What is the case of county boroughs generally?—Perhaps I might mention that in the case of Liverpool there is also, as regards the Poor Law, a local Act. The select vestry are the administrative

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[Continued.]

Chairman—continued.

Chairman—continued.

tive body, and although there was power in the Union Assessment Committee Acts given to exceptional bodies to adopt the system, I am not sure that Liverpool has adopted it.

183. Yes; but you see what I want to get at is this: It is quite obvious that we cannot go into the minutiae of each separate local Act where there are separate local Acts which deal with such things?—Quite so.

184. I suppose it is the case that some, at any rate, of the larger cities in England, have got local Acts?—Yes.

185. I think we are only concerned with what we may call the general system?—Quite so.

186. What I want to know is this: You have given us the Metropolis on the one hand and the counties on the other; I want to know whether that is exhaustive or whether you have not got something to say also about county boroughs, or do they fall under the counties?—The county boroughs are negligible quantities as regards county contributions, but as regards the Poor Rate I think it may be taken that (with one or two exceptions, such as you have just adverted to) the system of valuation is regulated by the Union Assessment Committee Acts.

187. That is to say they follow in the wake of the ordinary counties?—Yes.

188. Now, as a matter of fact, there has already been an inquiry going into considerable detail as to all these matters, has there not, by the Local Taxation Commission?—Yes. The Royal Commission on Local Taxation in their reports and appendices have set out very fully the law as applied to them in statements by various Government departments. Perhaps I might be allowed to refer to the memorandum by the English Local Government Board printed at page 1, of Part I, of the 1st Appendix, Parliamentary Paper, C. 8764, of 1898.

189. That gives a statement in great detail of the whole of the methods of valuation in England?—Quite so; and there are also the comments of the Commission to be found in their first and final reports.—Parliamentary Papers C. 9141 of 1899, and Cd. 638 of 1901.

190. Especially, I think, in the first report, in which they deal with valuation particularly?—Quite so; it is very fully criticised there.

191. So that, seeing that the detail is there, I only propose to take from you to-day rather a more general and (so to speak) popular account of the system?—Quite so.

192. Now, I suppose it would be convenient to take those systems separately, and we may begin, perhaps, by the system under the Union Assessment Committee Acts?—Yes. There is one point to which I should like to refer before entering upon a discussion of that system, and that is the matter of the gross estimated rental.

193. Yes; you mean what the expression "Gross Estimated Rental" means?—Yes, I think it might be convenient to say something about the history of that. The Parochial Assessments Act of 1836 (the Statute of 6 and 7, William IV., Chapter 96) prescribed that the rate for the relief of the poor should be made upon an estimate of the net annual value of the several hereditaments in each parish. "Net

annual value" was defined to be the rent at which a hereditament might reasonably be expected to let from year to year, free of all usual tenants' rates and taxes and tithe commutation rent charge, if any, and deducting therefrom the probable average annual cost of the repairs, insurance, and other expenses, if any, necessary to maintain the hereditament in a state to command the rent. The Act prescribed a form of rate, and in this form one column is headed "Gross Estimated Rental" and the next column is that for "Rateable Value." The Poor Law Board had occasion to consult the Law Officers of the Crown upon the meaning of the expression "Gross Estimated Rental" in this Schedule. The opinion given was as follows: "We understand by gross estimated rental, mentioned in the Schedule to the Parochial Assessment Act, the rent at which the property might be expected to let free of tenants' rates, and taxes, and tithe commutation rent charge, the tenant taking these burdens upon himself, and suppose that, in practice, the column is usually filled up, so far as regards corporeal hereditaments, with figures expressing or approximating to the conventional or rack rent on a tenancy from year to year. After making the deduction therefrom of average repairs, etc., the rateable value of such property is arrived at." Then I ought perhaps to pass to the description of the Union Assessment Committee Acts.

194. Yes. Having explained what "Gross Estimated Rental" and "Rateable Value" is, would you now come to the system under the Union Assessment Committee Acts?—Yes.

195. What is the form there of the Valuation List?—When the system of valuation, which now applies to the country outside London was called into existence by the Union Assessment Committee Act, 1862, the prescribed form of Valuation List followed in essentials the form of Poor Rate in the schedule to the Parochial Assessments Act, 1836. The Valuation List was to show, in separate columns, name of occupier, name of owner, description of property, name or situation of property, estimated extent, gross estimated rental, and rateable value. This last column since and during the operation of the Agricultural Rates Act, 1896, is replaced by two columns, headed respectively "Rateable Value of Agricultural Land" and "Rateable Value of Buildings and other Hereditaments not being Agricultural Land." The Union Assessment Committee Act, in Section 15, supplies a definition of "Gross Estimated Rental." This is stated to be the rent at which the hereditament might reasonably be expected to let from year to year, free of all usual tenants' rates and taxes and tithe commutation rent charge, if any. Reading this definition in the light of the Law Officers' opinion, the Poor Law Board explained that the word "free" was to be regarded as referring to the "rent," and not to the "hereditament," and that the rent was accordingly to be estimated on the assumption that the tenants' rates and taxes and tithe commutation rent charge were burdens which the tenant would take upon himself. In other words, the gross estimated rental was to be as to approximate to the conventional or rack rent on a tenancy from year to year. Then, the rateable

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[Continued.]

Chairman—continued.

rateable value was to be arrived at by deducting from the gross estimated rental, or rack rent, the cost of repairs and insurance, and the other expenses, if any, necessary to maintain the property in a state to command the same rent.

196. In getting at the gross estimated rental as you have explained (which, as you say, really practically corresponds with the rack rent), if there was an actually existing rack rent, were the Committee bound to take it?—No. It is valuable as evidence, but not conclusive.

197. I think there is, as a matter of fact, no statutory scale of deductions in the Union Assessment Committee Acts?—No; there is no such scale.

198. Therefore, I suppose it follows, does it not, that different Committees, although all proceeding upon the same theory, as you have just explained it to us, may really in practice reach somewhat different results?—Yes.

199. In other words, there will be a different practice in valuation in different parts of England?—That is so.

200. Of course, as you have explained—at least, I do not know that you have explained it, but it is a corollary from what you have said—so far as the system under the Union Assessment Committee Acts is concerned, it does not bind the Crown for Imperial Taxes?—It does not—no.

201. So that uniformity of practice—or, rather, the want of uniformity of practice, does not militate against the accuracy of the Crown Assessment?—Certainly not, as regards taxes, as distinguished from rates.

202. Passing now to the Metropolitan system under the Metropolitan Valuation Acts, what is the system there?—In that case a different course was taken: For "Gross Estimated Rental," the Act of 1869 substituted "Gross Value"; and this it defined as meaning the "Annual rent which a tenant might reasonably be expected, taking one year with another, to pay for an hereditament, if the tenant undertook to pay all usual tenant's rates and taxes and tithe commutation rent charge, if any, and if the landlord undertook to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the hereditament in a state to command that rent"; and "Rateable Value" was at the same time defined as meaning "the gross value after deducting therefrom the probable annual average cost of the repairs, insurance, and other expenses, as aforesaid." In other words, the definition of "Gross Value" read into the less precise definition of the Parochial Assessments Act, the effect of the Law Officers' opinion of 1859.

203. Yes, quite. Then, of course, as far as "Gross Value" was concerned, that really left the two systems the same in practice?—Yes. It was only a more precise definition.

204. But when you come to deduction, I think there is an actual difference, is not there?—There is a very great difference.

205. Just explain what that is?—As regards London, Parliament prescribed a scale of maximum percentages or rates of deductions to be made from the gross value in calculating the rateable value. This scale applies to eight

Chairman—continued.

classes of property, and is as follows: Class 1, houses and buildings, or either of them, without land other than gardens, where the gross value is under 20*l.*, 25 per cent., or one-fourth. Class 2, houses and buildings, without land other than gardens and pleasure-grounds valued therewith for the purpose of inhabited house duty, where the gross value is 20*l.* and under 40*l.*, 20 per cent., or one-fifth. Class 3, houses and buildings without land other than gardens and pleasure-grounds valued therewith for the purpose of inhabited house duty, where the gross value is 40*l.* or upwards, 16*½* per cent., or one-sixth. Class 4, buildings without land, which are not liable to inhabited house duty, and are of a gross value of 20*l.* and under 40*l.*, 20 per cent., or one-fifth. Class 5, buildings without land, which are not liable to inhabited house duty and are of a gross value of 40*l.* or upwards, 16*½* per cent., or one-sixth. Class 6, land with buildings not houses, 10 per cent., or one-tenth. Class 7, land without buildings, 5 per cent., or one-twentieth. Class 8, mills and manufactories, 33*⅓* per cent., or one-third. Other classes of property were: 9. Tithes, tithe commutation rent charges and other payments in lieu of tithe. 10. Railways, canals, docks, tolls, waterworks, and gasworks; and 11. Rateable hereditaments not included in any of the foregoing classes. In these cases the particular rates of deduction were not prescribed by the Act. They were left to be determined in each case according to the circumstances and the general principles of law.

Mr. Hemphill.

206. The reference, would you state, to the Act of 1869?—It is the Valuation (Metropolis) Act, 1869; the regnal year is 32 and 33 Victoria, chapter 57.

Chairman.

207. That seems to come to this, does it not, that whereas in the counties you have an absolutely free hand, both as to discriminating between classes of property for the purposes of deduction, and also as to the amount of percentage which you may take as the deduction, on the other hand, in the Metropolis, with certain limited exceptions, you are both statutorily forced to take things in certain classes, and the percentages of deduction in those classes are fixed as maxima?—Quite so; that is so.

208. Now has the practice in London been to take various percentages under the maxima, or have they practically taken the maxima in all cases?—It appears from the evidence given before the Royal Commission on Local Taxation that the maxima have been taken as the ordinary rates of percentage for deduction.

209. I think that is a description of the two systems. Now, what is the effect of the Valuation List as a basis for rating purposes?—The list is intended to afford a settled basis of value. So, by Section 28 of the Union Assessment Committee Act, 1862, it was laid down that, except in certain cases of apportionment, no Poor Rate and no rate based on the Poor Rate should be of any force unless the hereditaments were rated according to the annual rateable value in the

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Valuation List in force. In London the circumstances required that the Valuation List should be made conclusive to a greater degree. Thus, the Valuation List, by Section 46 of the Valuation (Metropolis) Act, 1869, as regards a number of rates, the House Tax and Income-Tax, becomes conclusive evidence of the gross value and of the rateable value of the properties included in the list. It is also conclusive of the fact that all properties required to be inserted have been inserted.

210. Let us pass now to the machinery and authorities for framing and settling these Valuation Lists; and here, of course, we must stick to our old division between the two systems. We will take the Assessment Committees first?—Practically throughout the country the machinery is worked by the Overseers and the Assessment Committee.

211. You say the Overseers or the Assessment Committee?—I might say the Overseers or persons acting as Overseers, because here and there are to be found exceptional bodies who have the powers of Overseers and who have to make the list.

212. Just tell us, please, what an Overseer is first?—The Overseer is a functionary originally appointed in accordance with the system established by the Statute of the 43rd of Elizabeth. The Poor Relief Act of 1601 provided that the Churchwardens and at least two, and not more than four substantial householders in each parish should be appointed by the Justices as Overseers of the poor. These Overseers were rating officers from the first; they are for the purposes of valuation the officers who, with assistance from the Assistant Overseer, or even from experts in certain cases, prepare the Valuation Lists.

213. They are charged with the preparation of the Valuation Lists? I might add that the existing system of appointment differs somewhat. Nowadays in rural parishes the Overseers are appointed by Parish Councils and Parish Meetings, and in certain cases they are appointed by Corporations or other bodies—other Councils—who have been invested with the power of Parish Councils. These existing arrangements only concern the question of the appointment; the duties practically remain the same as regards the Valuation Lists.

214. That is in the country. Now, in London, who discharges the duty of making the list?—In London the Borough Councils, by virtue of Section 11 of the London Government Act, 1899, become the Overseers.

215. What is the Assessment Committee?—Outside London the Assessment Committee, who act for each Poor Law Union, consist of not less than six, and not more than twelve members annually appointed by the Guardians from their number. If the Union is co-extensive with a Municipal Borough, the Town Council may also appoint representatives from among their members. In London there are some variations of the plan of appointment by the Guardians. These variations not being material for present purposes, it may be enough to point out that under the London Government Act, 1899, Section 13, where the whole of a Poor Law Union is within one Metropolitan Borough, the

Chairman—continued.

Assessment Committee are appointed by the Borough Council; and that where the Metropolitan Borough comprises the whole of two or more unions, the Borough Council appoint one Assessment Committee for the unions.

216. What is the relation of the Assessment Committee to the overseers?—The Assessment Committee are a revising body, and, within limits an appellate body. The Overseers make the Valuation List.

217. Then does the Assessment Committee proceed to correct the Valuation List made by the Overseers, as *mero motu*, or only when stirred up thereto by somebody who objects?—Both functions are competent to the Assessment Committee.

218. Yes; but in practice, what do they do?—In practice? I should think the practice varies. I am speaking of the country chiefly.

219. Now there is one other functionary, I think, that we must have a word about, namely, the Surveyor of Taxes?—Yes.

220. The Surveyor of Taxes is, of course, a Government official?—Quite so.

221. For the purposes of Imperial Taxes?—Yes.

222. What is his position; first in the country, secondly in London?—In the country, the system not extending to taxes, he would have no *locus standi*; but there is a very material departure from the provincial scheme in the case of London; there he plays a very important part in the system. The status which Parliament has assigned to him is, in the main, that of a possible objector or appellant. But, as an objector, or appellant, he has unusual power, for where he gives notice of objection, or of appeal, the amount specified in the notice as being, in his judgment, the gross value of any property must be inserted by the Committee, Special Sessions, or Quarter Sessions, in the Valuation List, unless it is proved to their satisfaction that the amount should not be inserted.

223. Statutorily, he is supposed to be *præsumptus* right; I suppose that is what it comes to?—Quite. A good case has to be made out.

224. Against him?—Before his estimate is upset.

Mr. Hemphill.

225. By whom can it be upset?—By the authorities—that is to say, by the Assessment Committee, or Special Sessions, or Quarter Sessions.

Mr. Macartney.

226. Can they insert some other assessment than his or the Overseer's valuation?—Oh, yes.

227. They can?—Yes, they could arrive at a gross value of their own.

228. Where he or they intervene?—Yes—in good cause shown. It must be a deliberate act on their part after hearing evidence and being satisfied; and, of course, the Assessment Committee, in that case, is subject to his appeal; he might carry the case further.

Mr. Hemphill.

229. To what tribunal?—Either to Special Sessions or Quarter Sessions. Practically, Quarter Sessions is the ultimate court of appeal.

230. You

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Chairman.

230. You pointed out, of course, that in the counties, where the Valuation List is not conclusive for the purposes of taxation, he has no *locus standi*?—Quite so.

231. But then, on the other hand, I suppose he practically, in a county, has to make up something equivalent to a Valuation List for himself?—Yes.

232. For the purposes of taxation?—Quite so, —Yes.

233. And in doing so, no doubt he assists himself probably by what he finds in the Valuation Lists?—Yes; probably he would. I expect though that he would attach great value to the returns that he gets.

234. From his own sources?—He issues forms for returns from time to time.

235. I suppose there is the usual provision for any individual person who feels that he is aggrieved by the entry in the Overseers' list to appeal to the Assessment Committee?—That is so. Perhaps, in connection with that I might just briefly run over the functions of those two bodies. As I have said already, the making of the list concerns the Overseers, and the revision the Assessment Committee. The Assessment Committee have authority to set the Overseers in motion, or in certain circumstances to supersede them by the employment of other persons; and the Assessment Committee's authority in the ordinary course is specially directed to the hearing and determination of objections to the lists while in process of settlement. These features may be said to be common to the two systems; but the more important point of difference between the two systems concerns the arrangements for the periodical preparation of new valuations.

236. I was coming to that next?—I beg your pardon. It is the remedies you wish to get to.

237. I do not think, probably, upon this that more is necessary than I have already got from you—that an individual aggrieved by the entry in the valuation list may go to the Assessment Committee?—That is so.

238. And I suppose there is a further power of appeal, is there not, to some form of judicial tribunal?—Yes. The simplest course might perhaps be to go through the two systems as they apply to the Valuation List.

239. Probably you have got it in a different part of your press; I will just stop that now, and I will come back to it?—It is rather lengthy.

240. We do not want to lengthen it; I will come back to it in another place. What I will pass to now is the question of periodical revision. What is the difference there between the country and London?—It is a very material difference. The feature comprising compulsory revision is peculiar to London. By the express provision of the Valuation (Metropolis) Act, 1886, Section 46, a new Valuation List is required to be made quinquennially. This list lasts for five years, but is subject during its currency to alterations effected by supplemental or provisional lists. In each of the first four years of the period, a supplemental list must, if necessary, be made out in the same form as the Valuation List. The Supplemental List shows all alterations during the preceding 12 months, but contains only the properties affected by the alterations.

Chairman—continued.

241. Will you just say what you mean by "alterations"?—The effect of the enactment which deals with alterations is very wide.

Mr. Hemphill.

242. What is the Section, if you please?—Section 46. It says the Supplemental List "shall show all the alterations which have taken place during the preceding twelve months in any of the matters stated in the Valuation List, but shall contain only the hereditaments affected by such alterations." The exact meaning of the expression "alterations" has been considered in a number of cases. The last—and perhaps the most important—case is one which relates to the extent to which cognisance can be taken of an alteration arising, not from structural changes in the premises, but from outside circumstances. That is the case of the Assessment Committee of Camberwell, *app.*; *Ellis, resp.* Broadly, it was there laid down that these alterations must be alterations arising out of circumstances specially affecting the particular property, that there must, in fact, as regards that property, be a change in its own individual condition affecting value, and that general, social, or economical changes are not to be taken into account.

243. I do not really want so much the detail of that. What I really want to get at is this: Does not "alteration" mean when a man pulls down a shop and builds a bigger one? That is one illustration?—Yes; that would be an "alteration," certainly.

244. On the other hand, is there ever an "alteration" when nothing physical has happened at all to the particular hereditament?—Yes; I think there might be; a change of rent might probably be an "alteration" by reason of—

245. A new tenant coming in?—Yes, I think that might be.

246. But assuming there is neither of those things, as a rule I suppose the property would remain as it is to the end of the quinquennial period?—Yes, I think so.

Mr. Hemphill.

247. Where is *Ellis* and the Assessment Committee of Camberwell reported?—In *Law Reports*, 1900, Appeal Cases, page 510; 69 *Law Journal*, New Series, Queen's Bench, page 828, and 83 *Law Times*, New Series, page 301.

Chairman.

248. Now so much for London. Outside of London, under the Assessment Committee Acts what is the provision for periodical valuation there, or is there any?—Perhaps I might finish the London case with reference to provisional lists before I go to that.

249. Oh, yes!—So far we have only been dealing with the Supplemental Lists.

250. What is a provisional list?—A Provisional List is concerned with alterations of property between the times of making New Valuation Lists or Supplemental Lists. A Provisional List is made where the value of any hereditament is increased by the addition thereto or the erection thereon of any building, or is from any cause increased or reduced

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in value. Thus during each of the last four years of the quinquennial period, the Valuation List in force during the year is the Valuation List in force on the day before the commencement of the year, with and as altered by the Supplemental List which comes into force at the beginning of the year. And while a Provisional List is in force, it is to be deemed to form part of the Valuation List and in, so far as is necessary, to be substituted for so much of the Valuation List as relates to the same property. Objections to a Supplemental List and a Provisional List may be made before the Assessment Committee. In the case of Supplemental Lists, as in the case of Valuation Lists, Appeals to Special or Quarter Sessions are also permissible. But as regards Provisional Lists the power of objection stops short at the Assessment Committee.

251. Now for the country; what have you to say about the procedure there?—Outside London, as has been already explained, there is no statutory limitation of a particular period of time during which an approved Valuation List may continue in force. Nor is there any enactment requiring a periodical revision. But the Assessment Committee, on the application of a person aggrieved or where they think it expedient, may direct the overseers to make a new valuation of all or any property and a new Valuation List in substitution for the list in force, or a supplemental Valuation List in substitution for any part of the existing list, or in addition to that list. Or the Assessment Committee may with the consent of the guardians appoint some other person for these purposes. Provision is also made for supplemental Valuation Lists in other circumstances. Thus, where property not included in the existing Valuation List becomes rateable, or where, in consequence of alteration in the occupation of any property included in the existing List, it becomes liable to be rated in parts not mentioned in that List as rateable hereditaments and separately valued in the List, or when it appears to the Overseers that property included in the List has been increased or reduced in value by building, destruction of building, or other alteration in its condition, or otherwise, the Overseers are required to make a supplemental Valuation List with respect to the property.

252. Now that is what they may do. Is there any uniformity of practice among the overseers as to what they do do, or is there a wide divergence of practice in this matter of revision?—It is perhaps somewhat outside my experience, but I should think, from cases that I have seen, that this duty of making a Supplemental Valuation List is one which is discharged with fair regularity.

Mr. Hemphill.

253. Is it made every year?—No, not in the country. It is made as the case requires.

254. Not in the country every year?—No.

Chairman.

255. Now I think we may come to what I did ask you for and then stopped on: What is the remedy of the individual? But first Mr. Lough wants to know upon whom the duty you have

Chairman—continued.

been speaking of is cast?—The duty of course is cast upon the overseer by the Act of Parliament. It is a duty which the overseer is required by Statute to discharge.

Mr. Lough.

256. How is attention drawn to any property that is increased or diminished?—This is the provincial system that I am speaking of. The overseer is supposed to be, as it were, acquainted with everybody in the parish.

Mr. Randles.

257. The board of guardians very frequently stir them up, I think, do they not?—The Assessment Committee?

258. Yes?—The Assessment Committee do, no doubt, often set the Overseers in motion.

Mr. Hemphill.

259. As I understand, the ratepayers could put them in motion?—Certainly; a ratepayer might. So far as the statute goes, the statute says that the overseers shall do this.

Chairman.

260. That is what you read. You have already explained that that is a duty cast upon the overseer, which, if not performed by him, he would be told to do by the Assessment Committee?—Yes, I think so.

261. Now we come next to what is the remedy of the individual?—The remedy available to individuals is twofold.

262. First of all remember; take it under these two heads: The individual's grievance may consist either in what has been done on his own property, or what has not been done on somebody else's. Take first his own property; what is the remedy there?—He has two remedies; he may make an objection before the Assessment Committee, or he may have an appeal to the Sessions. Objections before the Assessment Committee, while a list is in process of settlement, may be made by any person who may feel himself aggrieved on the ground of unfairness or incorrectness in the valuation of property in the list or on the ground of omission of property from the list; that is to say he may object not only as regards his own property but as regards that of other people. Then outside London, before an Appeal is heard by any special or Quarter Sessions against a Poor Rate, the Appellant must give the Assessment Committee 21 days' notice in writing previous to the Sessions of his intention to appeal, and the grounds, and no person may appeal to any Sessions against a poor rate made in conformity with an approved Valuation List unless he has given the Assessment Committee notice of objection against the list, and has failed to obtain such relief in the matter as he deems just. The Committee in such a case have full power to call for and amend the approved list, and, on amendment, they are to give notice to the overseers who are thereupon to alter their then current rate. In London, Appeals to Sessions in the matter of Valuation Lists are available to the individual ratepayer to an extent not permissible elsewhere. Any ratepayer as regards the Valuation List of his parish, may, if he feel aggrieved by a decision

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of the Assessment Committee on an objection made with respect to the unfairness or incorrectness of the valuation of any property in the list, appeal to the Special Sessions.

263. That, of course, brings in the second head?—Yes. Also a ratepayer feeling aggrieved by any decision of the Assessment Committee on an objection to which he was a party, or by any decision of Special Sessions, whether he was a party or not, may appeal against the decision to Quarter Sessions. Moreover, a ratepayer if he feel aggrieved by reason of the total of the gross or rateable value of any parish being too high or too low, or of there being no approved valuation list for a parish, may appeal to Quarter Sessions. And proceedings for questioning the decision of Quarter Sessions may be carried into the High Court. The difference between the systems is practically this, that appeals on value to sessions are rather more freely given in London than they are in the country.

264. Now that, I think, concludes, practically, an account of the machinery of the valuation system?—If I might suggest, there is one other point, and that is the provision as to experts. It is just conceivable that that might have some interest.

265. Very well. You mean that the overseers are allowed to call in expert assistance?—Yes. Some cases might perhaps be mentioned under that.

Mr. Randles.

266. I understand that that is very generally done, the calling in of an expert on a re-valuation?—I think it is more particularly with reference to special properties. The professional valuer deals more with special properties than with the ordinary hereditaments included in a valuation list.

267. In connection with large works?—Yes.

268. That is where I have had some experience of it?—Yes; in dealing with special properties no doubt they do very frequently call in experts.

269. Experts are called in on both sides?—Yes; but that is at a later stage than the preparation of the list.

Chairman.

270. I do not think there is any necessity to go into particular detail in relation to this. It is only the mere fact (if it be the fact) that these overseers are allowed to provide themselves with professional assistance?—Yes, that is so; the overseers outside London. If the employment of the expert is for the valuation of property they have to get the consent of the Assessment Committee.

271. Yes; I do not think you need go into that; I will pass over the detail as to that; I want now to ask you a few questions on one or two special subjects; you have explained, in getting at the gross value or gross estimated rental, the Law Officers' opinion and, under the more broad definition of the London Acts, how it really comes to be rack rent?—Yes.

272. And you also explained (I think in answer to a question of one of the Members of

Chairman—continued.

the Committee or myself, I forget which) that where there was an actual rack rent paid, although that was evidence it was not necessarily conclusive evidence?—Quite so.

273. Now I want you to explain what is done where there is no actual rent paid, that is to say where there is no tenant. In other words, I want you to explain the view as to what is generally known as a hypothetical tenant?—Perhaps one might say a few words about the origin of the hypothetical tenant. The origin of the hypothetical tenant is generally deduced from a case, the King v. the Inhabitants of Lower Mitton (9 Barnwell and Cresswell, 810), which was decided by the Court of King's Bench in the year 1829. In that case, which had reference to the rating of a Canal Company, the Court said, with regard to the annual profit or value on which the company should be rateable, that "this in general would be properly estimated at the rent which a tenant would give, he paying the poor rates and the expenses of repairs, and the other annual expenses necessary for making the subject of occupation productive, and a further deduction should be allowed from that rent where the subject is of a perishable nature towards the expense of renewing or reproducing it." And then seven years afterwards, in 1836, the Parochial Assessments Act gave a statutory recognition to the principle which the Court had adopted, and so from that time onward the hypothetical tenant became a factor in rating cases.

Sir John Colclough.

274. Is it the Parochial or the Union Assessment Committee?—The Parochial Assessments Act was the Act that dealt with the Poor Rate. It preceded by some 26 years the first Union Assessment Committee Act.

275. The Union Assessment Act is an existing system?—Yes. There have been recently some very important developments of principle in connection with the law relating to the hypothetical tenant; and the chief points are the recognition of the idea of competition in a wide sense, and also the recognition of an inquiry into trade receipts and expenses as a legitimate aid to the estimate of a hypothetical rent. The cases to which I allude are the London County Council v. The Churchwardens and Overseers of the Poor of the Parish of Erith (L.R. 1898, A.C. 502; 63 L.J.M.C. 9; 68 L.J. ns. 725; Cartwright, app., the Guardians of the Soulecoates Union, resp.; and the Mersey Docks and Harbour Board, app., the Assessment Committee of Birkenhead Union, resp., L.R. 1901, A.C. 175; 70 L.J. K.B. 584; 84 L.J. ns. 542).

276. Now, the next point I want to ask you about, is this: What is the practice about the valuation of public-house property in London; licensed property?—The most important case of late on the subject of valuation of public-houses is that which I have just mentioned, namely, the case of Cartwright, appellant, and the Guardians of the Poor of the Soulecoates Union, respondent. The reference to it is Law Reports, 1900; Appeal Cases, 159; 69 Law Journal, Queen's Bench, 403. There it was held that in assessing the value of a licensed public-house

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house for the poor rate, the existence of the licence, and the amount of the trade which can be and has actually been carried on, are elements to be considered in order to arrive at the rent at which the house may reasonably be expected to let. Evidence of these facts is always admissible, and may be necessary where the ordinary evidence of market value by comparison with other public-houses is not to be had. Evidence of profits made is also admissible, but an inquiry into profits should be avoided where possible, because it is regarded as inquisitorial and oppressive. These are not rules of law but matters of practice and common sense, and it is not expedient to lay down rules about them. That case was before the House of Lords in 1900.

277. Then we may take it, may we not, that the universal practice in England is to put a certain value upon a licence?—Yes.

278. Or perhaps I would rather express that in this way; that the value of the licence is taken as something which enhances the value of the house?—That would be so, yes. In the particular case already mentioned the arbitrator had rejected evidence as to the takings but had found, among other facts, that the public-houses in the town were mostly tied; that such free houses as there were afforded no materials for an accurate estimate of rent payable for the tied premises, and that an intending tenant of those premises would try to ascertain the trade actually done; and that, without ascertaining this, it was impossible to approximate to a hypothetical rent by comparison with other premises. The effect of the decision of the House of Lords was that the existence of the licence and the amount of trade which could be and had been carried on were factors for consideration in an estimate of the rent at which the premises might reasonably be expected to let.

279. In fact, it is just really one specific instance of the hypothetical tenant, is it not?—It is so. It is an expansion of the rules previously adopted as regards a hypothetical tenant; because previously the question of profits had been somewhat carefully avoided; and in one other case previously cited, namely, the Mersey Docks and Harbour Board app., the Assessment Committee of Birkenhead Union, the question of profits has been also very recently considered, and practically the effect is the same.

280. If we are not careful here a little confusion may creep in. You, having your mind full of this case, not unnaturally make the distinction of inquiring into profits or not profits, but that is, of course, only a way of arriving at the value of the licence. What I want to get on you is this: It is the case, is it not, that in all cases of systems of English valuation it has always been customary to recognise the enhanced value upon premises of this sort as the value of the licence?—Certainly, the existence of the licence has always been taken into account.

Mr. Hemphill.

281. I think it would be desirable to have the case, because there may be some evidence given with regard to valuation of licensed houses in Ireland. You were referring to a case?—The

Mr. Hemphill—continued.

reference to the Mersey Docks and Harbour Board's case was as regards a question of profits. It had no reference to a public house; it was another class of case. The receipts and expenses arose out of linnings for cattle.

Chairman.

282. I have not taken you into questions of valuation of special properties, such as railways and docks, and that kind of property, because I do not think that matters; but I want to ask one other general question about exemption from rating?—Yes.

283. Are there many statutory exemptions in the English law from rateability?—There are a certain number of statutory exemptions. Perhaps I might enumerate them.

284. Yes?—Stock in Trade; Extraordinary Tithe Rent Charge; Places of Worship and connected Schools; Militia and Volunteer Store-houses; Lighthouses, buoys, beacons, &c. occupied by the Trinity House or Board of Trade; Premises of certain Scientific Societies; Sunday and Ragged Schools; Voluntary Schools.

285. Of course it is well-known that, apart from statutory exemption, the law was settled by the Mersey Docks Case in 1864 in the House of Lords?—Quite so.

Mr. Randles.

286. You said "Voluntary Schools"; are not Board Schools or Technical Schools exempt?—No. It is under the Voluntary Schools Act, 1897, that exemption is given.

287. So that there is no exemption for the Board School or the Technical School?—No.

Mr. Goulding.

288. Is there such a thing as partial exemption?—Not by Statute.

289. How does it come about?—Oh, I beg your pardon, partial exemption in the way of differential rating? Oh, yes. There are several instances of that. There is a differential assessment in the case of the general district and the special expenses rates, which are leviable in the one case in urban districts, in the other case in rural districts. There is also the differential rating under the Agricultural Rates Act, 1895. There is likewise the rate for the purposes of the Lighting and Watching Act, 1833.

Chairman.

290. Surely that is in a different category altogether. My question was only as to absolute exemptions?—Absolute exemptions.

Sir John Colomb.

291. As I understand it, it is true, is it not, that the general effect of the operations of all these Acts is to bring the valuation of the country up to date?—That is the object.

292. I know it is the object, but is that the effect?—Certainly, as regards the metropolis.

293. But as regards the rest of the country?—Well, critics of the system say: No;—I have no opinion upon the point.

294. But is it not the case that there can be a revision of individual cases brought under the notice of the overseers every year?—Oh, undoubtedly, there can be.

295. Therefore

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295. Therefore there are alterations going on every year?—Certainly.

296. And under the existing system the valuation ought to be up to date?—It ought to be, certainly; yes.

297. In the country do you separate the buildings from the agricultural land. In taking the valuation of a farm which has certain buildings on the land, do you separate them from the land?—Yes. That is the result of the Agricultural Rates Act, 1896. Perhaps I might refer to the particular section. Section 5 says: "In every Valuation List and in the basis or standard for any county rate . . .

(a) where separate hereditaments are specified therein the value of agricultural land shall be stated separately from that of any building or other hereditament, and (b) in every case the total rateable value of the agricultural land in each parish shall be stated separately from the total rateable value of the buildings or other hereditaments in such parish; and whenever a copy of the total of the rateable value of any parish is required to be sent to any person such copy shall state both the above-mentioned totals; and (c) where any hereditament consists partly of agricultural land and partly of buildings, the gross estimated rental of the buildings, when valued separately, in pursuance of this Act from the agricultural land shall, while the buildings are used only for the cultivation of the said land, be calculated not on structural cost, but on the rent at which they would be expected to let to a tenant from year to year, if they could only be so used; and the total gross estimated rental of the hereditament shall not be increased by the said separate valuation."

298. Do I understand then that, taking a farm with buildings on the farm, the value is fixed by reference to what those buildings would let for to a tenant without any land at all?—I think so; subject to the condition that the buildings are to be regarded as used only for agricultural purposes.

299. In the same way would the land?—Well—

300. I want to get a clear answer about it?—I should hardly like to carry it as far as, to say, for example, that ploughed land would always be valued as ploughed land and not merely with reference to its possible use for grazing.

301. What I want to know is this: Take by way of illustration a farm (with necessary buildings and offices) of a hundred acres?—Yes.

302. Is the valuation of the houses and offices taken as if there was no land attached at all,—the letting value of those houses supposing there was no land. Is it or is it not?—I should think that would be the leading principle, yes; in other words, all buildings are to be put on one side and agricultural land without buildings on the other.

303. In the case of a taking of 300 acres of land would the letting value of that land be fixed on its value without the accommodation of any offices or houses at all?—I think that is so; I think it follows.

Mr. Hemphill.

304. What "follows"? I do not exactly understand what you mean?—Well, it follows, I think, from Sub-section (c) of Section 5. The direction there is that "the gross estimated rental of the

Mr. Hemphill—continued.

buildings, when valued separately, in pursuance of this Act from the agricultural land shall, while the buildings are used only for the cultivation of the said land, be calculated not on structural cost, but on the rent at which they would be expected to let to a tenant from year to year, if they could only be so used; and the total gross estimated rental of the hereditament shall not be increased by the said separate valuation."

Sir John Colomb.

305. Now let me pass to another point, this question of license. Where it is notorious that a large sum has been given for the license of a particular house in a particular locality would that fact be considered an element in fixing the valuation? As regards the license we know that enormous sums are given; would that fact come in as an element in fixing the value of the house, the fact that the large sum is given to secure the license?—I am afraid I am going rather outside my province in taking up that question, because practically all that I can say about it is from what I have read in reports of judicial decisions; I have no practical knowledge of valuation, but I rather think it is so; I think that valuers do take it into account.

Mr. Hemphill.

306. I want to understand your last answer. As I understand you do not state that as an expert?—Not at all; I have no knowledge whatever of practical valuation.

307. You merely state it as your opinion in answer to the question whether they are taking into account the purchase money for the licensed houses?—It is only from the knowledge one gets from reading the cases that I say that.

Sir John Colomb.

308. The other point I want to ask you about is "Fishings." Upon what basis are "Fishings" valued?—Sporting rights are a subject of the Rating Act, 1874.

309. I wish to stick to "Fishings"?—The Rating Act of 1874 is the only one relating to this matter. The system set up by the Rating Act of 1874 (Section 6, Sub-section 1), is as follows: "Where any right . . . of fishing . . . is severed from the occupation of the land and is not let, and the owner of such right receives rent for the land, the said right shall not be separately valued or rated, but the gross and rateable value of the land shall be estimated as if the said right were not severed, and in such case if the rateable value is increased by reason of its being so estimated, but not otherwise, the occupier of the land may (unless he has specifically contracted to pay such rate in the event of an increase) deduct from his rent such portion of any poor or other local rate as is paid by him in respect of such increase; and every assessment committee, on the application of the occupier, shall certify in the Valuation List or otherwise the fact and amount of such increase." "Where any right of sporting" [which includes fishing], "when severed from the occupation of the land, is let, either the owner or the lessee thereof, according as the persons making the rate determination, may be rated as the occupier thereof." (Sub-section 2). "Subject to the foregoing provisions of this Section the owners of any right of sporting, when severed from

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from the occupation of the land may be rated as the occupier thereof." (Sub-section 3.) "For the purposes of this Section the person who, if the right of sporting is not let, is entitled to exercise the right, or who, if the right is let, is entitled to receive the rent for the same, shall be deemed to be the owner of the right." (Sub-section 4).

Chairman.

310. Yes; but if I may interpose, I think you have not quite seen the point. Sir John Colomb's question is more general than that. What Sir John wants to get at is: Is there any special provision where the fishing is separated from the occupancy, or whether in the general view the "fishing" is a rateable hereditament?—When separated from the land, as an incorporeal hereditament in gross, it was not a rateable hereditament before 1874, but it is now.

Sir John Colomb.

311. You say that it is now a rateable hereditament?—It is now, but it is not a corporeal hereditament.

312. Is it a fact that all fishing is rated now whether it is let or not?—It would be so under the Act of 1874; but while rated in a way it is not rated necessarily as a separate hereditament.

313. No, no; but it is rated?—Yes, it is a subject of value for rating purposes.

314. I understand from what you have just said to us that the fishing is not separately let—or separated from the occupancy—but that a value is fixed upon it, and that the riparian occupier pays rate for the fishing?—Yes, practically that is so. In the case, which I suppose to be put to me, the occupier, in fact, pays on a value increased by the right.

315. Therefore it is not merely the fishings that are let as fishings, but the rivers are really assessed as of value for the fishings?—I do not follow that quite.

Chairman.

316. Take the case of a country proprietor who occupied his own estate through which there was a very valuable trout stream flowing; would that estate in ordinary methods of valuation be valued at a higher rate than a neighbouring estate of precisely the same agricultural quality, but which had not a valuable trout stream flowing through it?—Certainly.

Sir John Colomb.

317. There is another point I want to ask you about, taking the same illustration: Supposing that a part of the land on one side of the trout stream is in occupation and that the right of fishing has not been reserved to the owner, would the tenant's occupation be valued for the fishing?—Where it is occupied and the fishing has not been reserved to the owner?

318. I want to know?—Then in that case it is the person who is entitled to exercise the right that will become rateable.

319. Therefore the trout stream is really valued for the purposes of rates and taxes according to whoever exercises the right?—Yes; that is to say the right of fishing in the stream comes in as a subject and element of valuation and rating.

Sir John Colomb—continued.

320. Is the rating identical?—All cases of rating fishing rights come under the same Act.

321. Another point I want to ask you about is "exemptions." You said that places of worship were exempt?—Yes.

322. Are ecclesiastical buildings exempt?—As places of worship, yes.

323. Take convents?—I do not know what the practice may be.

324. They are not exempt?—Possibly they may be, if they are certified. It is under an Act;—I do not know whether I have got it here. I find that I have not a copy of the Act.

325. "Certified"; I do not know what you mean by "certified"?—The system is, perhaps, (if I may trust to memory) somewhat peculiar. A number of places come within this exemption if they are certified to the Registrar General as being premises for the religious services of a particular community. I think it is under the Statute 18 & 19 Vict. c. 81. Under that Statute a body of persons, not belonging to the Church of England, desirous of establishing a place of worship, may if they think fit, certify that place to the Registrar General, and when the place is certified it becomes exempt from rates.

326. A part of the building for worship, or the whole building?—The part of the building that ought to be for worship; I do not say that there would be an exemption if there were a block of cottages attached to it.

327. Take the case of a convent or monastery?—I do not know of any case in point; I am afraid I cannot help you on that.

328. You cannot answer that question?—I am afraid I cannot; it depends so much upon the practice of the Registrar General; and that I do not know.

329. I suppose the Registrar-General's decision is all guided by law, is it not; he cannot, of his own motion, give exemption to different things?—Exemption depends upon the provisions of a Registration Act, which is, I think, the 18 and 19 Victoria, c. 81, but I do not carry it very clearly in my mind.

330. I understand you to say you are not in a position to give specific evidence as to the law concerning the power of the Registrar-General to grant exemptions?—I am not in a position to give evidence as to his practice under the Act referred to.

331. And you are not in a position to say whether convents and monasteries, and religious houses of different denominations, are exempt or not exempt?—Offhand, I should say that to the extent to which they can be certified they are exempt.

Chairman.

332. Be quite sure; I do not think you quite appreciate Sir John's point. I do not think he is doubting that a place of worship—whether a convent or a monastery—is exempt; but what he wants to know from you is whether the whole residential establishment is also exempt?—That I cannot say.

Mr. Randle.

333. Could you tell me: Suppose there is a building used regularly as a place of worship in some form, where concerts, and, perhaps (occasionally) public meetings are sometimes held, whether that is exempt?—It is not exempt by Statute. Whether or not it is exempt in any case

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case under this power of certification I do not know.

Chairman.

334. It is only places of worship, as I understand, that are exempt?—The Statute says so.

Mr. Bouldes.

335. But there are certain places of worship which people are obliged to use for the want of public halls—schools and mission halls?—I should say that those cases you refer to would not be exempt; but I express the opinion with some hesitation, because it really involves looking up the cases, and I only prepared myself for evidence on the subject of valuation as distinct from rating.

336. I know a case myself of a place that was built as a mission hall, which has been so heavily rated because occasionally let, that it has become a serious burden?—I might mention that there are decisions under the Public Health Act as to the liability of such premises to charges for street improvements; there are distinct decisions that premises of that kind would not be within an exemption from that liability.

Sir John Colomb.

337. There is only one more question I want to ask—that is with regard to the cost of appeal—(the system of appeal) from assessment which you have mentioned. Can the Quarter Sessions award costs?—Yes.

338. Can they award the whole costs against the rating authorities where the appeal has been successful against the Assessment Committee?—I think so. You are speaking of Quarter Sessions, and not of Special Sessions?

339. Yes—Quarter Sessions?—I do not think there is any difficulty as to that. For example, the Quarter Sessions Act of 1849 says, in Section 5, that "Upon any appeal to any Court of Quarter Sessions the Court before whom the same shall be brought may, if it think fit, order and direct the party or parties against whom the same shall be decided to pay to the other party or parties such costs and charges as may to such court appear just and reasonable, such costs to be recoverable in the manner provided for the recovery of costs upon an appeal against an order or conviction by the Summary Jurisdiction Act, 1848."

340. The only other question I want to ask is with regard to shootings. That follows the same law as "fishings," I suppose—that is, that if the game is not reserved the occupier is liable for the rate; the sporting rights are valued upon the occupier?—All sporting rights are on the same footing.

341. That is a sufficient answer for me?—The rights mentioned in the Act are the "right of fowling or of shooting or of taking or killing game or rabbits or of fishing."

Mr. Macartney.

342. You have told us that the effect of the existing Assessment Acts, if fully developed, both in the Metropolis and in the provinces, would be to bring existing valuation up to date?—Yes, I think so.

343. But that there are critics who say that that effect has not been arrived at in the provinces?—Certainly. That evidence will be found in one of those reports to which I have

Mr. Macartney—continued.

referred—the reports of the Commission on Local Taxation.

344. I do not know whether you would be disposed to give an opinion, or go so far as to say whether you think the criticism is justified?—I should have no material on which I could found an opinion. This was evidence given by people who had collected statistics from the various parishes or unions in their counties, or other areas, and they were contrasting particular values for particular purposes.

345. As a matter of fact one of the differences, I take it from your evidence, between the system in the Metropolitan district and in the provinces is that there is one single official who represents, I may say, a central authority operating upon the Valuation List in the Metropolis, whereas he has not the same position in the provinces?—That is so. The Surveyor of Taxes in the Metropolis has a position which he has not in the country.

346. Would that, in your opinion, tend to bring the valuation in the Metropolitan district closer to actual valuation than the valuation in the provinces?—I should think so.

347. Would you therefore consider it desirable, in any system of valuation to be established, that a central authority should either carry it out or have an influential voice in the final decision?—The recommendation, of course, of the Royal Commission deals with that.

348. I know the recommendation; I am only asking rather your opinion?—By "central authority" you would not mean a Government Department?

349. Yes, I should mean that. I mean an authority which would extend over the whole country?—One would say that to the extent to which the Surveyor of Taxes plays his part in the Metropolis there would be general agreement as to the expediency of extending his influence to the country; but beyond that I should not care to go as to the "central authority."

Mr. Hemphill.

350. Taking up the last question while it is in my mind, does the Surveyor of Taxes in London regulate the valuation for the purposes of poor-rates as well as Imperial taxation?—The effect of his objections or his criticisms, if adopted, undoubtedly applies to poor-rate as well as to Imperial taxation; of course his levy, or the tax levy, is on the gross value, but the poor-rate is on the rateable value.

351. Who ascertains in London the rateable value?—The Assessment Committee.

352. Not the Surveyor of Taxes?—His grounds of objection are against gross value.

353. Gross value; therefore his valuation cannot be the basis of the local taxation?—Indirectly, of course.

354. But not directly?—No, not directly; but necessarily, if gross value is enhanced, rateable value, by reason of the fixed scale of deductions follows.

355. That is, assuming that the scale of deduction is a constant figure—I mean, the value is fixed?—Yes, the scale is settled by Statute in London.

356. In that way the Surveyor then would become the judge, as it were, of the value for the purposes of all taxation?—His action would

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have an effect upon the rateable value by reason of that fixed scale.

367. Is the Surveyor of Taxes a Government officer?—He is appointed by the Board of Inland Revenue.

368. And paid, I suppose, out of the Imperial Exchequer?—Yes.

369. Is that the only existing system approaching to a central authority now in London?—Certainly—yes.

360. You have no separate Board of Valuation or anything of that sort?—No, no Government Department.

361. No Government Department?—No.

362. Now, in the country, have you any Government Department at all regulating the valuation?—No, none at all.

363. The valuation there is left altogether to the Overseers and the Guardians?—The Assessment Committee.

364. Yes, the Assessment Committee appointed by the Guardians?—Yes.

365. For the purposes of rating?—In certain cases, of course, there is an appeal against a Valuation List to Quarter Sessions.

366. That is subject to appeal: but we may assume, for the sake of argument, that the tribunal is right?—The settlement of the valuation is entirely local.

367. And they determine what is the rateable value of the hereditament, whatever it may be, in the country?—Quite so.

368. That is universal throughout England, as I understand?—With some few exceptions where there are local Acts still operative—the number I do not know, but I think there are about seven places. The authorities have power to adopt the Union Assessment Committee Acts, but I do not know whether at the present moment the whole of them have adopted the Acts.

369. Who has the appointment of Overseers?—The Overseers in certain circumstances are appointed by justices; that is the original method; in a rural parish they are appointed by the Parish Council or Parish Meeting; in other cases, where a District Council has been vested with the powers of the Parish Council, the District Council appoints them. In London, the Metropolitan Borough Councils are the Overseers.

370. And they are, of course, salaried officers?—No, not salaried.

371. They have got no salary?—No salary.

372. Are they paid by fees?—They are not paid.

373. Do they act gratuitously?—They act gratuitously. The Assistant Overseer is paid.

374. The Assistant Overseer is paid, but not the Overseers; they are a sort of public representative body?—Quite so.

375. Then, in point of fact, the valuation for rateable purposes is not attended with much expense in England—I am speaking now of the country?—Yes. I do not carry any statistics in my mind, but I think I may say yes—at least, as regards ordinary properties.

376. I should gather so from the system that you have mentioned?—I should think it is so.

377. Now there is one matter that I would like to know: Suppose a particular hereditament has its valuation altered on revision in the way you have described, what is the unit of

Mr. Hemphill—continued.

valuation in the country parts of England; is the whole parish valued as being of a gross rateable value?—For certain purposes—yes.

378. Say for the purposes of local taxation?—For the purposes of contribution, say, to the Guardians.

379. The Poor Rate, for instance?—In the case of the contribution to expenses incurred by the Guardians, their contribution order is based on the rateable value, as shown by the Valuation Lists.

380. Can they alter the aggregate valuation of the parish in proportion as an individual hereditament is raised or lowered?—Yes, the Assessment Committee or Overseers would do that.

381. They would be able to do that?—Yes.

382. They do that from time to time?—From time to time, certainly—yes.

383. Then suppose a ratepayer puts a motion down under his power, for revision, pending that revision, can they strike a rate—the rating body?—Yes. The case you have in mind no doubt is that of a ratepayer who, under the Union Assessment Committee Amendment Act, 1864, gives a notice of his intention to appeal against the rate.

384. Yes?—In that case the Committee, having received the notice, are bound to consider his objection with reference to the approved Valuation List on which the rate has been paid. They consider it, and, if they alter the list, they give notice to the overseers who then alter the current rate—that is to say, the rate current when his notice of objection was given.

385. Would they do it if any part of that rate had been levied?—He should anticipate that by giving his notice as soon as the demand is made, but if he did not, I think that some of the decisions have gone to the extent of saying that in certain circumstances the Overseers refund. But, as a general question, the liability of rating authorities to repay rates sometimes involves a moot point—it is not quite clear.

386. Have you any suggestion to make as to how that could be remedied—I mean made certain, and not left "moot"?—It is so very much connected with the general revision of the valuation and rating system, that I should prefer not to make any suggestion.

387. You were asked by Sir John Colman a question as to an agricultural holding with a house and offices upon it—we will say a farm let at 200*l.* a year to a working farmer who lives by his farm—would you value the farm as distinct from the buildings?—Of course, you must do so, under the Agricultural Rates Act, 1896.

388. I did not quite follow what your view was; I only want to have your view clear?—You must do it as a matter of statute.

389. That is what I understand you to say: and what I want to have clear?—It is the effect of Section 5 of the Agricultural Rates Act, 1896.

390. That is to say you must put the value on the land as if there were no buildings on it, and then put the value of the buildings as they are existing there?—I think that must be so as the result of that direction.

391. In the case of the agricultural farm I did not quite understand your answer to Sir John Colman. If there is a trout stream running through a farmer's land or running alongside

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of a farmer's land do you mean to say that the farm would be valued, and the occupying tenant's interest in the farm would be enhanced, by reason of the trout stream running through his land—he being entitled to fish—(assuming there was no reservation)—up to the middle line of the stream?—Yes.

392. That would be his right, we know, as lawyers?—Yes, it would be in that case.

393. How could you possibly appreciate the value of the enhancement of the farm by that?—The parties concerned have really to follow the directions in Section 6 of the Rating Act of 1874. Thus, where the right is severed from the occupation of the land, and is not let, the gross and rateable value of the land must be estimated as if the right were not severed. "If the rateable value is increased by reason of its being so estimated, but not otherwise, the occupier of the land may (unless he has specifically contracted to pay such rate in the event of an increase) deduct from his rent such portion of any Poor or other local rate as is paid by him in respect of such increase." That is the way he gets compensation; he deducts it from his rent.

394. Then it ultimately falls on the landlord?—In that case it would; but of course there are other cases where it is not severed—or where it is severed, rather—where the owner or occupier of the land retains it or has it in his own hands, and is rated.

395. In practice he would probably never either let his half (he could not let it, practically) or ever throw a fly into it. I want to know this: Do you say that for the purposes of rating the farm that would be taken into account at all in valuing his farm?—In the case where the occupier is entitled to make a deduction from his rent, there is a direction that "the Assessment Committee, on the application of the occupier shall certify in the valuation list or otherwise the fact and amount of such increase."

396. What would be the date on which the increase would be ascertained?—Precisely how they do it I do not know. The date of the certificate in the Valuation List would, I assume, practically have effect at the date of the increase.

397. It would be very difficult. Has the system in the country parts of England worked well for the purposes of valuation?—Well, there of course one has to refer you to the views of the Royal Commission on Local Taxation; they are really the critics of the system.

398. You are quite right. I will not press that much. In dealing with the value of a public house, would it make any difference that the house was what is called a tied house?—The case to which I referred, the Soulecoates case, is that of a tied house; so also was the Camherwell case; they are both cases of tied houses.

399. Both tied houses?—Yes.

400. Therefore those cases do not apply to an ordinary public house which is not tied?—Well, I would not say that, because an element in the Soulecoates case was that there were no free houses with which they could well compare that particular property, so that it was dealt with, as it were, on its own footing.

401. But as a rule, in the case of a tied house does not the brewer himself fix the rent, and in that way fix the value that is to be attached to

Mr. Hemphill—continued.

the licence?—But that value, of course, is not necessarily conclusive on the valuing authority.

402. Is not letting value one of the principal elements?—It is an element.

403. Suppose a brewer lets a house at a hundred a year (I will say a hundred a year as an easy figure) surely he, in fixing it at a hundred a year, takes into account the value of the licence?—Certainly.

404. It may be a house which otherwise might not be worth 20*l.* a year?—Undoubtedly; and that fact, of course, may weigh with, but it is not conclusive upon, the valuing authority.

405. Would not it make it quite a different principle on which you would assess the value of the untied public house and of the tied public house?—I should not say that the rent fixed by the brewer would be conclusive; that is all I can say.

Chairman.

406. Obviously, in the case of the tied public house and of the untied public house, the guide that you would get from the actual rent paid would be a very different one?—Quite so.

Mr. Hemphill.

407. Yes. Is not that clear?—No doubt. In relation to the general question of the valuation of the tied house, I was thinking of the more recent developments by which you might entertain the question of profits.

408. Your answer, which you gave to my Lord Advocate based upon those authorities that you were good enough to give the Committee, was based upon instances of tied public houses?—Quite so; and also the case of the lairages at Birkenhead.

409. We may pass from that for the present. Now, what has been the effect. Can you tell me whether, as a matter of fact, the value of agricultural land in England for rating purposes has not diminished very much within the last nine or ten years?—I cannot tell you that, as a matter of fact.

410. That is not within your province?—That is not within my province.

411. You cannot tell that?—No.

412. Now, with regard to public buildings, religious houses you say (convents that have been registered) are exempt?—I suppose so.

413. So I understood you to say.

[Chairman.] Well, he has not exactly said so. If there is to be anything in that we must have it cleared up by somebody who would know the facts—probably an actual Overseer?—Someone acquainted with the actual practice under the Statute.

Mr. Hemphill.

414. Yes. I just want to ask you with regard to exemptions. But before I come to that, has there been any organic change in the system of valuation in the country parts of England since that Act of 5 and 6 William IV. What I mean by "organic change" is this: There have been alterations in detail, but is the principle of the valuation very much the same?—You are referring to the 6 and 7 William IV., c. 96. You are thinking of parochial assessments.

415. Yes?—No; there have been very material developments through judicial decisions, but not by Statute.

416. It is still the governing principle, I suppose,

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pose, of the country?—Yes, I think so. The "gross estimated rental," and the "rateable value" in the Union Assessment Committee Acts are practically the "rent" and the "annual value" of the 6 and 7 William IV.

417. Public buildings: Are all buildings of a public nature exempt in England?—Buildings in the occupation of the Crown are—yes.

418. Buildings such as Court Houses, and all those sort of buildings?—Well, that is by a slight extension of the doctrine of the occupation of the Crown to certain buildings held for the purposes of public government.

Chairman.

419. I think there is a distinction there. Mr. Hemphill is asking you as to exemptions?—Yes.

420. Now, as I understand the theory of the buildings in the occupation of the Crown that is not, properly speaking, any exemption at all; it is simply that the Courts have always held that the taxing Statutes do not apply to the property of the Crown; it is not because the Statute says the property is not to be taxed?—Oh, no; there is no Statutory prohibition of rating.

421. They do not really fall, you see, within the doctrine of exemption at all?—Not by Statute.

422. The property of the Crown is not taxable by the subject. Then there is, of course, a certain amount of Case law as to what particular buildings are the property of the Crown—that is so, is it not?—And also as to what buildings may be for the public government of the country.

423. But it is only through the Crown?—That is the theory, no doubt.

Mr. Hemphill.

424. Of course, the Crown is not bound without express words in a Statute for taxation, but what I want to know is this (I am not familiar with the English Poor Law Acts, therefore, I want it for the information of myself and other Members of the Committee): Is there any Section expressly exempting (as there is in the Irish Code) buildings of a public nature?—No. The history of the matter is rather curious. There was one series of judicial decisions, beginning from 1792, and the case of the King v. The Commissioners of the Navigation of Salter's Load Since (4 Term Reports, 750), and according to these decisions buildings held for public purposes were not liable to assessment. I believe that at the time when the first Irish Act was passed it was supposed that those decisions were good law, but in England a conflicting current of decisions had started in 1836, and the authority of the earlier cases was finally upset by the Mersey Docks case in 1864.

425. As I understand, my Lord Advocate has called your attention of the Committee to-day to Statutable exemptions?—There are Statutory exemptions of those properties I have read out.

426. You have enumerated them?—I have not previously mentioned properties held by servants of Departments of State. These are free from assessment by virtue of the fact that the Crown is not named in the Statute of Elizabeth.

427. Those were all exempt?
[Chairman.] They are excluded, they are not "exempt."

428. They are exempt because the Crown are

Mr. Hemphill.

not to be read into a Statute?—Because the Crown is not named in the Statute.

429. I had not quite followed it in your former statement. Will you state just shortly what is the nature of those buildings?—Those mentioned in the Mersey Docks case are property occupied by servants of Departments of State—property occupied by local police—some county buildings and also gables.

430. Can you tell me now whether (we will say universities) the university buildings of Oxford, Cambridge, and so forth, in England, are exempt?—I could not tell you the exact position of Oxford and Cambridge, for I believe that there are local Acts to be considered; but there is a case (a case that went to the House of Lords) of a university—that is the University of Edinburgh. The attempt was made to set up an exclusion in that case, and it failed; the property was held to be rateable.

431. In other words, it was held to be subject to be rated?—Subject to be rated—yes.

432. Is there any system, or is there anything that you are aware of (you may not be aware, as this is rather a special thing) by which a university (if there is a very large quantity of ground, like a college-park, or anything of that sort), is rated, or valued, for the purposes of rating?—I could not tell you that; but I could give you a reference to the case that I referred to just now—Greig v. the University of Edinburgh. There the contention was that the buildings were national or public property, or dedicated to national or public purposes—that no revenue was derived from their occupation. The reference to that case is Law Reports 1, House of Lords, Scottish Appeals, page 348.

433. Thank you. I am much obliged. Now among your enumeration (of course we had it in print, but I was not able to follow it with great closeness), of private hereditaments—I will not say which are exempt, but which, in point of fact, are, or are not, rated. How do you deal with the valuation of mines? They are very extensive subjects in the country parts of England?—Mines originally were regarded as excluded from rating, with the exception of coal mines, because coal mines only having been mentioned in that Statute of Elizabeth, other mines, upon the principle of *expressio unius, etc.*, were cut out; but in 1874 all mines were brought into rating by the Act which dealt with fishing rights and rights of sporting. Prior to that certain mines had been rated on the principle of quarries. The old method was the method of distinguishing according as there was a daylight working or a working under ground. Also, under the older law, there had been brought into rating the cases where, although the mining works were not rateable, the dues which sometimes took the form of a toll of the ore raised to the surface, the toll being taken by the proprietor or lessee or lessor; but since the Act of 1874 all mines are rateable.

434. Is it on the basis of the profits that the value is fixed?—In some cases.

435. Or upon the quantity of ore raised?—That is the case as to some mines. "Where a tin lead, or copper mine is occupied under a lease or license granted without fine on a reservation wholly or partly of dues or rent, the gross value of the mine shall be taken to be the annual amount of the whole of the dues payable in respect

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Mr. Hemphill—continued.

spect thereof during the year ending on the 31st day of December preceding the date at which the Valuation List is made, in addition to the annual amount of any fixed rent reserved for the same which may not be paid or satisfied by such dues." That is a part of Section 7 of the Rating Act, 1874. In the other case—the case of the coal mine—I believe that the ordinary system is to value first of all the surface work and surface plant, and then the underground works and workings of the colliery. The surface works and the plant are to be valued upon the principle of not being directly productive of profit. Then the net receipts are calculated, and from the net receipts a sum is deducted for repair and renewal of the tenant's plant and a sum for risk and casualty; and there is also a deduction for the tenant's skill and superintendence. The result is the gross estimated rental.

436. Is there anything in the English system comparable to—or have you any peat bogs at all in England?—No, I have never heard of any, case in point. The nearest approach, I suppose, would be brick-fields or gravel pits.

437. With regard to the valuation of railways, what is the system with regard to that existing now in England?—It is a very elaborate system.

438. Is the English system of valuation a local system?—Entirely local.

439. But is it ascertained by Overseers, like the ordinary rateable hereditament—I am speaking now of the country?—Yes, if they choose to take the responsibility, but of course generally they call in an expert.

440. Who is the responsible party?—The Overseers.

441. Just like a field or a farm, or anything else?—Yes.

Chairman.

442. In other words, the English overseer has got to deal with any railway that is within his area?—Yes.

Mr. Hemphill.

443. He has, I suppose, to determine relative taxation. It varies in different places as regards the same railway?—Oh, of course, the running lines are valued on a different system to the stations.

444. I mean, of course, the running lines; there is less difficulty about the stations. However, I will pass that at present, because probably the Committee would like to hear you again at some future stage if anything should occur to make it desirable. Take the case of these rateable hereditaments; are hospitals rated in England and in London?—Yes.

445. Hospitals like St. Thomas' Hospital?—Yes.

446. They are rated?—Yes; the question of the rating of St. Thomas' Hospital was carried to the House of Lords.

447. Is that the result; that they are rated?—That they are rated; except in some instances where there are local Acts which expressly exempt them.

448. Are lunatic asylums rated?—Yes.

449. Public asylums; I do not mean private *maisons de santé*; are they rated?—Yes.

450. Are harbours rated as a rule?—Yes.

451. That is harbours that are not Crown property?—Harbours not belonging to the Crown.

452. They are all rated in England?—All rated as a rule.

Mr. Goulding.

453. You said I think that each individual ratepayer has the right of appeal; I want to know, because it arises frequently in the country, who pays the cost in the case of a successful appeal by the ratepayer whose property is not directly in question?—That would depend upon the judgment of the Court of Quarter Sessions. Their discretion, I think, is absolute.

454. It is a complaint you hear frequently in the South of England with regard to small authorities who are not on the Assessment Committee—that their property is assessed very differently from the assessments placed on larger and bigger people who are really on the Assessment Committee; and they have always alleged that they have a grievance because they have not the power of appeal?—I think that the question of costs—that is to say, the question of making an order, or refusing to make an order—is absolutely within the discretion of the Sessions.

Sir John Colomb.

455. Of Quarter Sessions?—Quarter Sessions.

Mr. Goulding.

456. Even if they consent?—I think so. I do not understand that consent of the parties would affect the position under the 12 and 13 Vict., c. 45, s. 5.

457. That absolutely prevents the smaller man appealing?—Of course the small man has his remedy up to the last stage before going to the Sessions—that is to say, the inexpensive remedy of objecting to the Valuation List before the Assessment Committee.

Chairman.

458. But do you mean to suggest that Quarter Sessions would not follow the general rule, "costs follow the event," amongst us?—Do I understand this to be the case of the want of success, is that so?

459. No, no; Mr. Goulding is putting the case of being successful?—The Statute of 1849 is I think, really the governing Statute. Section 5 is in these terms: "Upon any appeal to any Court of Quarter Sessions the Court before whom the same shall be brought, may, if it think fit, order and direct the party or parties against whom the same shall be decided, to pay to the other party or parties, such costs and charges as may to such Court appear just and reasonable."

460. That gives the power?—That gives the power; it gives the discretion, "if it think fit."

461. I would like to get at that, because remember this, take an appeal in an ordinary Court of Law, of course an Appellate Court has a right to give or refuse expenses as it chooses?—Yes.

462. But there is the general rule, which it almost always follows, of costs following the event. Now Mr. Goulding has elicited from you that there is a certain power in the Court of Quarter Sessions to give costs; what he wants to know is: Is it the practice to give costs when there is success?—I am afraid that I can only say that I have no special knowledge of the actual practice of Quarter Sessions under that particular Statute.

Mr. Goulding.

463. Now I want to ask you with regard to public

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[Continued.]

Mr. Goulding—continued.

public offices, or works of municipalities? Are they rated on exactly the same basis as other property?—They are rated on the principle laid down in two recent cases by the House of Lords. The two cases are, (the *Queen v. the School Board for London*, L.R. 1886, 17 Q.B.D. 788), the *Erith* case to which I have already referred, and a *School Board for London* case. There it was laid down that as regards property of that description you must assume a competition of hypothetical tenants, and in that competition you must include the actual owner and occupier of the building for purposes of the hypothetical tenancy; therefore when you come to estimate what the hypothetical rent is to be, you have to take into account the fact that (say), the School Board for London, or London County Council, want the particular premises for their own purposes.

404. Then that does not give them the advantage?—No, it does not give them the advantage.

405. Suppose that a tram line is owned by a corporation or a municipality as opposed to a tram line owned by a company, is the same treatment measured out to them?—Tramway undertakings, whether they belong to a company or a local authority, would, for valuation purposes be treated on the lines of the railway system. The railway system is to value separately the running lines and stations.

406. In London would there be any difference in the system?—No, I think not, not in the system. The fact that it is a public body owning and working the trams would make no difference.

407. In the actual result?—It would make no difference; it ought not according to these recent decisions.

408. May I take you on that further: In London would the local authority decide as regards the rating value of tram lines, say Hammer-smith way and Camberwell?—The responsibility would be with the Overseers and Assessment Committee in the first instance, and, of course, their valuation or decision would be subject to appeal, in London especially, on the question of value, either to special Sessions or Quarter Sessions.

409. I understand you to say that London is different to the provinces. In London it is the Surveyor General who supervises or lays down rules with regard to the general system of valuation?—Only as regards gross value. The Surveyor of Taxes only comes in as regards gross value.

470. That is what I want to get at, because to my mind it is almost a daily occurrence; persons serving on public bodies hear of complaints almost daily as regards assessments in London, and the practice in relation to them?—As regards these particular properties which you instance—namely, the trams, those are outside the statutory scale of definite deduction; therefore, to a certain extent gross or rateable value depends, as regards the tramway undertakings, more upon the discretion of those concerned with the valuation under the Metropolis Valuation Act than would be the case with other properties affected by the Statutory Scale, but the machinery for valuation would be the same; the overseers in the first instance, and the Assessment Committee afterwards, are the

Mr. Goulding—continued.

two bodies concerned with the valuation of the property.

471. But I want to know where does the Surveyor General come in?—The Surveyor of Taxes?

472. Yes?—The Surveyor of Taxes comes in wherever the question of gross value arises.

473. Wherever the question of gross value arises?—Gross value.

474. How does he supervise the action of the overseers and the Assessment Committee?

[Chairman.] He does not, if I may interpose for a moment. I think the difficulty is that you use the word "supervise." He does not supervise it; what he does is this: He has got the right of objection with a very peculiar right given to an objector, namely, that he may table his own figure, and then the parties who get that figure, the Assessment Committee—are bound to assume that it is *prima facie* right, and if they dispute it they are bound to disprove it; whereas if it were anyone else—if it was you or I, they would not be bound to take our figure at all; we should have to dislodge them. The Surveyor of Taxes has this express provision in his favour, he may cast aside the figure of the other side and substitute one of his own; and his would be followed unless it was clearly proved to be wrong. He does not "supervise" in the sense of supervising the list?—He does not.

Mr. Goulding.

475. He is not in a position to procure uniformity in rating in the Metropolis any more than there is uniformity throughout the provinces?—He has not a complete control for that purpose.

476. That is what I want to get at, I understand our desire is that it should be all worked from head quarters?—Is that so?

477. And I want to ascertain how this individual carries on a uniform system in London?—He is an objector or appellant.

478. Then he does not really get the uniformity you would wish?—Uniformity to a certain extent comes about through the statutory scale of deductions.

Mr. Lough.

479. Only one question or two about exemptions: Museums, we have not heard anything about; are they exempt?—If they come under the Scientific Societies' Act, 1843, they are then exempt.

480. And public libraries, are they exempt?—No. What might be a public library in a certain sense might also, according to some of the decided cases, be a building belonging to a scientific society and possibly under that Act it could be exempt, but not otherwise. A public library under the Public Libraries Act would not be exempt.

481. And vacant premises?—Yes.

482. They are all exempt?—As a rule, unoccupied buildings are not rateable. There are, of course, exceptions such as arise on agreements or compositions for small tenements or on short tenancies.

483. Vacant lands are not, I suppose?—They are not rateable.

484. And agricultural land if it is vacant?—That is not rateable.

Thursday, 30th October 1902.

MEMBERS PRESENT:

The Lord Advocate.
Sir John Colmah.
Mr. Goulding.
Sir James Haslett.
Mr. Hemphill.
Mr. Hozier.

Mr. Lee.
Mr. Lough.
Mr. M'Cann.
Mr. McKillop.
Mr. Macartney.

THE LORD ADVOCATE IN THE CHAIR.

Mr. JAMES HENRY, called in; and Examined.

Chairman.

485. Mr. HENRY, you are, I think, a Fellow of the Surveyors' Institution, and you are Assessor under the Lands Valuation (Scotland) Act for the City of Glasgow?—I am.

486. You are also Surveyor of Police and Municipal Assessments for the same city?—Yes.

487. And have filled those offices for 20 years?—Yes.

488. You have come at my request to give us a short account of the valuation system of Scotland?—I have.

489. You are aware, are you not, that before the Royal Commission on Local Taxation a memorandum was put in by the Scottish Office on Valuation and Rating Systems of Scotland?—Yes.

490. That will be found on Page 87 of the first volume of the Appendix to the Minutes of Evidence?—That is so.

491. You have read that, have you not?—I have looked over that memorandum.

492. You concur with the statements there—I mean you think that they are accurate?—I do.

Mr. Hemphill.

493. Do you concur without any qualification?—Without any qualification.

Chairman.

494. In Scotland, I think, the Valuation Roll is the basis on which all assessments are imposed?—That is correct.

495. But at the same time the Valuation Roll is entirely independent of any assessment roll?—It is.

496. In other words, although as to a great many of the taxes there are directions in the Statute which impose the tax to make certain deductions, those deductions are never made in the Valuation Roll?—Never. The Assessing Acts, of course, authorise in certain cases abatements; but there is no abatement allowed in respect of entry in the valuation book.

497. The Valuation Roll falls to be made, does not it, by an assessor appointed for that purpose?—It does.

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Chairman—continued.

498. And it is made locally in counties and in burghs?—In counties and in burghs.

499. What is a "burgh," for the purposes of the Act?—A Parliamentary burgh is a "burgh."

500. And a Royal burgh?—Yes.

501. But not a police burgh?—Not a police burgh.

502. Who appoints the assessor in counties and burghs respectively?—In counties the assessor is appointed by the County Council, and in burghs by the Town Council.

503. Will you explain to the Committee the provision which allows the municipal authority or the County Council to appoint as their assessor the Surveyor of Taxes, and then the effect that that has?—The Valuation Act provides that the County Council or Town Council may appoint the Surveyor of Taxes as the Assessor for valuation purposes for that district.

504. If they do so, I think two consequences follow, do they not? First, a pecuniary consequence—I mean as to the expense of making up the roll?—Yes. If the County Council or the Town Council appoint their Assessor, they require to pay the Assessor for the work. If they adopt the provision in the Act which allows them to appoint the Property Tax Assessor, of course there is no allowance in that case—the roll is made up free of charge.

505. There is another effect, is there not, as to the effect of the valuation as a basis for taxes—not for rates?—The Valuation Roll is the basis for all taxes, and I may just say at this point that in Glasgow I supply a copy of my Roll to the Property Tax Commissioners. It is put and ready to their hand, and they seem to have the feeling that a better Roll they could not get.

506. I have no doubt about that, but what I want to get from you is this: First, it is the fact, is it not, that if the local authorities choose to employ the Surveyor of Taxes as their Assessor, then the Valuation Roll, as made up by him, is binding upon the Government for taxes?—It is.

507. Whereas, if they employ their own men it is not?—It is not.

508. Of course, obviously those two considerations

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Mr. HENRY.

[Continued]

Chairman—continued.

tions are what may be called a decided incentive to employ a Surveyor of Taxes as Assessor?—Quite so.

509. And consequently that provision has been largely taken advantage of, I think, in Scotland?—Yes, it has.

510. Of course, in some of the larger cities like, for instance, Glasgow, the work is so great that they prefer to have their own Assessor?—Yes, for statistical purposes they find it very convenient to have an Assessor of their own.

511. Now what is the principle upon which the Valuation Roll is made up in terms of the Act?—It is Section 6 of the Act for the Valuation of Land and Heritages in Scotland, dated the 10th August, 1854, 17 and 18 Vict., c. 91; the 6th Section of the Valuation Act (Scotland) provides that in estimating the yearly value of lands and heritages under this Act, the same shall be taken to be the rent at which one year with another such lands and heritages might in their actual state be reasonably expected to let from year to year, and where such lands and heritages consist of woods, copes, or underwood, the yearly value of the same shall be taken to be the rent at which such lands and heritages might in their natural state be reasonably expected to let from year to year, as pasture or grazing lands; and where such lands and heritages are *bona fide* let for a yearly rent conditioned as the fair annual value thereof, without grassum or consideration other than the rent, such rent shall be deemed and taken to be the yearly rent or value of such lands and heritages in terms of this Act, provided always that if such lands and heritages be let upon a lease the stipulated duration of which is more than 21 years from the date of entry under the same, or in the case of minerals more than 31 years from such date of entry the rent payable under such lease shall not necessarily be assessed as the yearly rent or value of such lands and heritages, but such yearly rent or value shall be ascertained in terms of this Act irrespective of the amount of rent payable under such lease and the lessee under such lease shall be deemed and taken to be also the proprietor of such lands and heritages in the sense of this Act, but shall be entitled to relief from the actual proprietor thereof and to deduction from the rent payable by him to such actual proprietor, of such proportion of all assessments laid on upon the valuations of such lands and heritages made under this Act and payable by such lessee as proprietor in the sense of this Act as shall correspond to the rent payable by such lessee to such actual proprietor as compared with the amount of such valuation.

512. You have quoted textually the 6th Section of the Valuation Act?—Yes.

513. That comes to this, therefore—the valuation is the annual value, as it might be reasonably expected to be let from year to year?—Yes, that is so.

514. If there is an actual lease current where no sum down has been paid for the lease, but where the whole consideration is the rent in the lease, then the Assessor is bound to take that as the real value?—That determines the rent.

Chairman—continued.

515. Provided that the lease is not of greater duration than 21 years for ordinary subjects, and 31 years for minerals?—Yes.

516. And in that case you are entitled to find the value in another way?—Yes.

517. It follows from that, does not it, that there is never any distinction between land and buildings in Scotland, where land and buildings are let as a composite subject?—Where they are let together.

518. Take, for instance, the ordinary case of a farm. There is never any separate valuation of the land and the buildings, but the land and the farm are taken as a whole?—There is no separate valuation to be entered in the Roll.

519. This Valuation Roll, which the Assessor is directed to make up, is made up yearly, is not it?—Made up annually.

520. So that it is the fact in Scotland that practically there is really a revision of the Roll every year?—Every entry is revised annually.

521. Not necessarily, of course, changed?—Not necessarily.

522. But it is always under the view of the Assessor—each individual entry every year?—It is.

523. In order to get at what changes ought to be made, if necessary, what does the Assessor do every year prior to making up the Roll?—He makes a survey of his district. In Glasgow I make a door to door survey for the purpose of ascertaining the names of the occupiers and the rent payable by each occupier.

524. What do you mean by the word "survey." You do not mean a topographical survey?—I mean that one of my assistants has my books before him with the names of last year's tenants and the rent opposite each name, and he goes from door to door to see if John Thomson or the old tenant is there; if he is away he puts down the new tenant and inquires what is the yearly rent. If he is the same as last year he checks it off; if there is any change he marks the change.

525. Is not there a form of return sent out to all owners and occupiers?—There is a return sent out every year to all owners and factors to get the names of the tenants and the rent payable by each.

526. So that you really check the matter. That is, you get these returns from the owners and their factors, and then you check it with the actual investigations of yourself and your assistants?—Yes, the returns are compared with the information supplied in the survey, and where any discrepancy appears between the survey and the returns it is cleared up by further inquiry.

Mr. Hemphill.

527. Does the return merely require a return of the names of the occupiers and the name of the house and so forth—does it specify anything about the value?—I mean the annual return?—The returns are sent to the factors or landlords. We usually send the returns to the factors, because they are parties who let the property and know most about it. We send the returns to them, just at the beginning of the year, about the same date that the survey begins. Then the return shows the description of property, the name,

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Mr. HENRY.

[Continued.]

Mr. Hemphill—continued.

tion, the name of the owner, the name of the tenant, and the name of the occupier, and the yearly rent or value.

528. That is the yearly rent?—Yes.

529. A very common way—I think almost the universal way—is for the assessors to send out a form on which they pin a slip, which is cut out of last year's entry. Assuming he is a person who has always been there that gives him all the particulars, and you ask him to note if there is any change, or to say that there is not. Then when you have got in those returns, and got the result of your survey, the Assessor makes up the Roll?—Yes.

530. Speaking roughly, in the first place under the statute, where there is an actual rent paid, you have no choice you must take that?—You have no choice but to take that rent.

531. But where the lands or houses are in the parties own occupation, you have got to get at the rent upon the view of a hypothetical tenant?—Yes.

532. There you would not make a change each year on the value?—No; once having settled what is a fair value, I do not disturb the entry in the Roll, unless the district board about shows that the let houses are going up in value.

533. I want to get that in a rough way. What sort of considerations would make you alter the entry from what it had been?—The only consideration that would make me alter an entry would be this: Supposing I knew a house built to be occupied by the owner (and it is my business to fix a rent for that house), and I find in the near neighbourhood of this house a let house, I take that let house as my basis or guide in determining what this rent should be; but supposing that this gentleman says: "But there is Mr. Jones' house just down there, and he owns and occupies his house; his house is at a much less figure than what you are proposing to put me in at," if I find that Mr. Jones has been under-rated, I may think it necessary to bring him up so as to put him on a level with his neighbours.

534. It comes to this, that you do not lightly disturb a valuation that you have once arrived at, unless there is such a general rise in the neighbourhood that you think it necessary to bring them all up in line?—I do not.

535. Of course, you also make an alteration when a man has added so considerably to his house that he has made it of more value than it was before?—Yes.

536. When you have fixed that, is it intimated to the proprietor?—Yes, I send a copy of each entry in the Valuation Roll to every owner and occupier, showing the rental, that is entered in the Roll.

537. And then if they feel aggrieved with that, they have the right of appeal?—Yes, they may adjust it with me up to a certain date. It is the 8th of September under the Valuation Act—and as a general rule we do come to an agreement.

538. That is to say, you obviate the necessity of appealing in far the great majority of cases, I suppose?—Yes, I do.

539. If they are not satisfied then they can appeal to the Burgh or County Valuation Committee?—In the county there is a Valuation

Mr. Hemphill—continued.

Committee, and in burghs there is a Burgh Valuation Committee, to deal with appeals from the Assessor.

540. If the appellant or Assessor is dissatisfied, there is a further appeal to two Judges of the Court of Quarter Sessions?—If the appellant or Assessor is dissatisfied with the decision of the Appeal Committee he may ask for a case, and have it decided by two Judges of the Court of Session appointed for that purpose.

541. And their decision is final?—Yes.

Mr. Lee.

542. Are there many of these appeals to the higher Judges?—No; I had no appeals last year to the higher Court; I have three this year.

Chairman.

543. You and I can answer between us, I think, for the whole of Scotland. I suppose an ordinary average year would be about perhaps not more than 12 to 20 cases?—That is just about it; there are very few. I had none last year.

Mr. Hemphill.

544. That is for Glasgow?—For Glasgow.

Chairman.

545. The whole Roll is finished and authenticated by the 30th of September?—The last day of September.

546. Subject only to the appeals to the Judges which are disposed of early in October?—Yes, later on.

547. So that the whole Roll is ready by that time for the taxing authorities, who practically begin their work in the autumn of the year?—Yes, copies of the Valuation Roll are prepared and sent right away to each of the Assessing Authorities in the month of October.

548. The Roll, after all appeals to the County and Burgh Appeal Committees, is authenticated and finished by the 30th of September; it is not kept back by the fact of the Judges' decisions, which are given early in October— which are subsequently added to the Roll?—Yes, sometimes it is later than that, but as soon as convenient after the Roll is closed.

Mr. Hemphill.

549. When is the rate struck by the Rating Authorities?—Usually in July and in August.

550. That is for the following year?—For that year—from the 28th of May.

Chairman.

551. By striking the rate you mean that the actual rate of so much in the £ is determined on?—Yes.

552. The actual Tax Note, as served upon the persons, does not come out till November about?—Usually about November.

Mr. Hemphill.

553. That is the demand note?—Yes. The rating authorities fix the rates for the year not later

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Mr. HENRY.

[Continued.]

Mr. Hemphill—continued.

later than the month of August, as a rule—so many thousand pounds wanted.

564. It must be raised?—Yes, it must be raised. They generally get an estimate of the assessable rental beforehand, and the party who is engaged to issue the assessments is ready waiting to get a copy of the Valuation Roll, and, having got the copy, he proceeds at once to make up his Assessment Roll, make out his assessment notices, and issue them to the ratepayers.

Chairman.

565. You see, for the purposes of striking the rate in August, the authorities really know practically what the sort of sum total of the Valuation Roll is going to be, because the draft roll has been issued by that time?—They frequently ask me for an estimate of the rental—whether it will be up or down for the year; indeed, they invariably ask me if the rental will be up ten, twenty thousand pounds, or whatever it may be, with a view of striking out what rate it is required to impose.

566. Where you have not got an actual rent to go by, I think you have already explained that you always go on the system of the hypothetical tenant?—Yes, I do.

567. If you have got land or houses of a similar character, you naturally get at the hypothetical tenant through the actual rents that are paid by other tenants?—Yes.

568. But where you have got nothing of that sort, what do you do?—Well, in cases of works where there are land and buildings, I get the measurement of the land covered by the buildings, and I endeavour to ascertain the cost of the land covered by the buildings, and I apply 4 per cent. to the cost of the ground—the percentage on the buildings varies from 6 to $7\frac{1}{2}$ per cent., according to the character of the structure.

569. All these are merely methods of arriving at what you think a hypothetical tenant would give?—Yes; as a rule, I find that people owning these premises generally concur in those percentages.

570. I think the definition of land and heritages in Scotland includes practically everything?—It embraces everything.

571. Including all sporting rights, such as shooting and fishing?—Yes, it does.

572. And all sorts of incorporeal Revenue rights, such as harbours and docks, and so on?—Yes, it does.

573. And telegraph and telephone wires—everything of that sort?—Yes.

574. Minerals are also included?—They are included also.

575. When let?—When let.

576. On an unopened mine there is nothing?—Where it is not opened, of course, there is no revenue there.

Mr. Lee.

577. If it is open and not operated?—If it is idle I do not assess it—if it has been worked out the assessment drops.

Chairman.

578. In effect it must be a rent-producing subject?—Yes.

Mr. Lee.

579. I meant where there was a strike?—In cases of that kind the rent goes on, because the value is fixed by the Lordship—by what has been taken out of the mine—if it is coal, so much per ton; if it is clay, so much per thousand bricks.

Chairman.

580. Suppose there was a mine in which the condition of letting was that there was a fixed rent of 500*l.* a year, but a Royalty of so much per ton, and that in a good year the Royalty came say to 5,000*l.* a year?—Yes?

581. The value that you would put in for that mine would be, while it was going, 5,000*l.* a year?—Yes.

582. But supposing a strike happened, or for some other reason the mine was not worked for a year, then its value would go down to 500*l.* a year, which would be the fixed rent?—That is correct.

583. Now, as to railways, all that you have said, Mr. Henry, I think does not apply to railways?—It does not.

584. They are valued, are not they in Scotland by a special Central Assessor?—Yes, an Assessor appointed by the Crown.

585. Who values the whole of the railways in Scotland?—The whole system.

586. On a system of its own?—Yes.

587. He then partitions that valuation among the various parishes in which the railways are situated?—Yes.

588. That is for the Valuation Roll?—Yes, the railways are part and parcel of the Valuation Roll for Scotland.

589. Would you hand in a copy of the form of the Valuation Roll?—Yes.

590. And also of the different schedules and forms that you have spoken to which you issue to owners and occupiers?—Yes. (*The same were handed in Vide Appendix.*)

591. After the Valuation Roll is made up, when the assessing authority comes to deal with it, it then is bound to take the Valuation Roll as a basis of value, is it not?—Yes.

592. But in regard to the different taxes, there are different provisions in the Statutes imposing them authorizing certain deductions?—Yes; the assessing authority take the Valuation Roll as their basis, but in their Acts—in the different Assessing Acts—there are abatements for several subjects.

593. As an illustration, the allowances that are made by way of deduction, under the Poor Law Act, are perfectly different from the allowances that are made under a Burgh Act?—Yes; the poor rating authorities also raise the rate for School Boards, and they make a deduction of 20 per cent. off the rate as appearing in the Valuation Roll.

594. Whereas, take an ordinary burgh?—But the ordinary municipal assessments are rated on the actual rent as appearing in the Valuation Roll.

595. With, I think, an exception in favour of certain classes of property which are rated at a fourth. Generally speaking, for a municipality under the Burgh Police Act, there are certain classes of property, minerals, and underground

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Mr. HENRY.

[Continued.]

Chairman—continued.

ground mines, that are rated at a reduced rate?—Yes, one-fourth.

586. In Glasgow, for instance, differing from every other town, there is a differential rating for houses under 10l?—That is correct.

587. In all those matters, although they differ as between town and town, and also to a certain extent between town and town, none of them touch the Valuation Roll, but are done subsequent to it?—No, those modifications only appear in the Assessing Acts.

Mr. Lough.

588. You spoke of the valuation of agricultural land, as if you were familiar with it. Can you tell me whether the valuation has tended to increase or decrease during the last ten or twelve years?—I have not a great deal of agricultural land but the land that is within the city has been pretty stationary, and as far as my information goes, it is stationary all over; that is to say, it cannot be said to be either increased or decreased.

589. You said, within the city. I do not want it within the city. Perhaps, you have no information. I meant agricultural land. Have you any knowledge of how the valuation has gone?—Perhaps, I have not sufficient knowledge to say whether in certain localities the rent has gone up in value, and in other localities gone down in value.

590. You have not sufficient knowledge?—I have not sufficient knowledge.

591. You cannot tell all over Scotland, for instance?—No.

Mr. McKillop.

592. That would apply to land within a radius of 10 miles of the city. That has gone up?—Close to the city it has—its intrinsic value goes up year by year.

Mr. Lough.

593. You told me that agricultural land within the city and within a short radius is stationary?—Yes, so long as it is used for agricultural purposes.

594. So that even agricultural land near a city is stationary?—Stationary—just for the reason that it is used as agricultural land.

595. You then spoke of the system you proposed upon with regard to houses, and I understood it was agricultural houses you were speaking of—farmhouses in the country. Did you refer to farmhouses?

Chairman. All houses.*Mr. Lough.*

596. You spoke of farmhouses in the country and you said if you found one let house in the neighbourhood you raised the price of another house?—Yes, if the let house showed that, as compared with the house occupied by the owner, there was a great discrepancy between the two rentals—it was my duty to bring up the house to a rent such as it would fetch in the market.

597. I understood you to say that, supposing you found one house let in the locality, you would then raise the value of all the other

Mr. Lough—continued.

houses that were in the proprietors' occupation. I want to ask you, would you do that irrespective of whether they could be let or not?—I might raise it or reduce it. If I found that the let house rents were going down then it would be my business to reduce the rents of those houses occupied by the owners.

598. My point is different. Supposing you were dealing with a poor country district and found one house let by chance, where there was no possibility of letting the general bulk of houses, you would not raise them all to the level of this single letting you had found?—No, I would not take one house to be my guide in a matter of that kind. There might be special reasons for the tenant paying a big rent for that house.

599. You would not take one house?—No, I would not think of that.

600. You spoke of the principle on which you arrive at the value of a house. You said you would assume what it had cost, and take about 7 per cent?—I was speaking of public works when I mentioned that percentage. In the case of houses occupied by the owner, I take a lower percentage, because there is not that wear and tear in an ordinary dwelling-house that there is in a works where there is a lot of machinery—about 5 to 6 per cent—6 is the maximum of the houses occupied by the owners.

601. Surely in country places you would not apply that principle?—I would not in country districts.

602. To a gentleman's seat?—No.

603. Nor, indeed, to a farmer's house?—Nor to a farmer's house.

604. What percentage would you think it right to apply?—I would take into consideration this: take a gentleman's house, its nearness to a railway station—if the district there was an attractive district, where the gentleman would be sure to get his house easily and readily let—I would bring my common-sense and my local knowledge of the district to bear on the matter.

Chairman.

605. Do not I understand you to say that you never go to the system of percentages where you have a guide of actual letting?—Oh, never.

Mr. Lough.

606. I am dealing with the case where you have not got steady lettings at all?—Yes.

607. In that case, you said you would assume what the house might have cost, and I want to say that in an agricultural district that would seem to me to be an almost impossible system. Do you agree?—Yes.

608. Take a house in Scotland that somebody had built at great cost—30,000l. or 40,000l.?—I do not put a value on ornament, but if I go into a district where there is a good substantial house, I take the measurement of it. I know that a gentleman's house in the city brings from 5d. to 6d. per square foot of floorage—I measure this house, and I find it contains so many square feet of floorage. Then I consider the situation of the house. If the situation of the house is good,

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[Continued.]

Mr. Lough—continued.

good, if it is convenient to a railway station, and other things being equal, I say, "Well, perhaps this house ought to bring 40,"—that is to say, I believe in my own mind that if this gentleman was letting this house I might be able to point this gentleman to similar houses and say: "There is a let house that is yielding 200*l.* of rental; your house is larger than this gentleman's house," I measure both, and I say: "Well, I think that 220*l.* might be a fair rent for your house," and just talking over the matter in a reasonable way he says, "You seem to be right, and I will agree to the 220*l.*"

609. I want to put this case to you. You need not tell us about the letting case. I want to imagine a country in which there might be good houses but very few lettings. Would you take still a percentage on what you thought the house cost, or what you work out on the square feet of flooring you have mentioned, and charge and value the house on the figure you would get at by that means?—If I was taken into a district where there were nothing but houses occupied by the owners, I would endeavour to get at the cost of those houses (we know the value of money), and just take the current rate of money or something like that, and say: "If your money was invested you see John Thomson the owner and occupier; John Thomson is a tenant of John Thomson the owner; very well, what rent would John Thomson the owner ask from John Thomson the tenant?" It would be based upon the outlay; the money he has spent in putting that house into its present state.

Mr. Hemphill.

610. What interest would you give on that?—I would be inclined to take 4 to 5 per cent., for this reason, that the owner is under obligation to keep the house in good order. He has to pay his tradesmen's bills, and he has also to insure the buildings, and he has to pay the owner's taxes, and all that has to come off the rent. You must treat them as a hypothetical tenant; you must treat the person occupying the house as a tenant.

Mr. Lough.

611. You have plenty of houses which are not occupied, even in Scotland, by any tenant—gentlemen's seats that have been put up at great cost, and that people who may seem very foolish choose to live in and spend money on, for which they can never get any return. Surely you would not value that class of house on the principle either of what it cost to maintain or what it cost to build?—No, I would take the principle of measurement in a case of that kind, the accommodation the house gave.

Chairman.

612. Your thoughts are naturally full of the sort of country you have to deal with, but just taking your general knowledge of Scotland, if you take large mansions that are in the proprietor's occupation throughout the country supposing practically the guide is the sort of rent that it got from the same class of place, nobody would go into floor space?—I think in

Chairman—continued.

most districts the assessor will find one or two let houses to act as a guide to him. I have certain districts. I have drives and terraces where there are no let houses whatever—all occupied by the owner.

613. That is a different class of property, I know of no district in Scotland where you could not find some of the country houses let?—You can always find houses that you can point to as a guide.

Mr. Lough.

614. You find whole counties in Ireland in which none of the good houses are let or could be let?—There are no counties in Scotland but what there are let houses to guide the assessor as to how he should proceed to value similar houses. He may have a little difficulty sometimes.

Chairman.

615. Any way, I do not know that we need pursue the subject, because after all the assessor's business is to do what the 6th section tells him, and that tells him he is to take the value where the thing is not actually let at what it might fairly bring from year to year?—If the assessor should make a mistake by entering one of those houses at 20*l.* or 50*l.* over what the owner thinks it should be entered at, there is an opportunity for meeting and talking over the matter, and between the two of them they generally arrive at a fair rental.

Mr. Hemphill.

616. Can you give us any idea how one of these palatial residences, of which there are many in Scotland, are valued for the purposes of taxation?—By the accommodation and the number of rooms and the flooring.

Chairman.] Not flooring; I cannot take that from you. Flooring is a very common thing in town districts, but you would never go and value Skibo, Holyrood or Dalkeith by flooring.

Mr. Hemphill.

617-18. The Valuation Roll is the basis of all taxation?—Yes.

619. That Valuation Roll is made by a public officer?—Yes, who is called an assessor.

620. Is that an assessor for a particular locality or for the whole of Scotland?—For a particular locality.

621. And is that assessor paid by the Government?—Well, he is appointed by the County Council or the Town Council, and is paid by the party that appoints him.

622. That is if he is adopted by the County Council. The County Council need not employ a Surveyor for their Assessment Rolls, I understood?—If the County Council appoint the Surveyor of Taxes, he is a Government Officer—they do not pay him.

623. They do not pay him?—No.

624. It is only when they appoint their own assessor that they pay him?—Yes, that is so.

625. You talk of the revision of the Valuation Roll. Do you mean that the Valuation Roll itself

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[Continued.]

Mr. *Hempill*.—continued.

itself is revised every year, or only the Assessment Roll?—The Valuation Roll itself is revised every year.

626. Not merely the Assessment Roll?—Not merely the Assessment Roll. An assessor may know nothing about the Assessment Roll; it is simply the Valuation Roll that he has to do with.

627. That is the one that is revised every year?—That is so.

628. Are there any what you call farms—ordinary farms, agricultural farms—at all within your particular jurisdiction—that is in Glasgow?—Yes, I have some farms—a portion of the farms are in the city.

629. Do they come within your jurisdiction to value?—They do.

630. Do you value the buildings on those farms separately from the agricultural land?—The value in the lease is entered in the Valuation Roll, but the Poor Rating authorities, as they are required to rate on the land under the Agricultural Acts ask me to show the division of the rental.

631. That is how much you attribute to buildings, and how much you attribute to land?—That is so.

632. Now on what principle do you ascertain how much you attribute to buildings and how much to land; could you give us any general idea. Suppose it is an ordinary small farmhouse?—Suppose the rent of the farm buildings and land is 100*l*. I go and look at the house and I say the house, as a place of residence, is worth 20*l* or 25*l* and the balance is for the land.

633. There is that discrimination; you always do discriminate in that way?—Yes.

634. You told me the year was from the 28th May to the 28th May, that on the 28th May it is ascertained what money is to be raised?—Yes, by the assessing authorities.

635. That is to say how much is necessary for carrying on the business of the municipality?—Yes.

636. As I understand the Valuation Roll is complete on the 30th September?—It is completed under the statute.

637. It must be completed?—It must be completed under the statute by the 30th September.

638. That is not final because there may be appeals?—There may be one or two open appeals.

639. I daresay they are not very frequent, but there may be appeals?—Yes.

640. When you come to plot the money to be raised out of each house—you have to raise a given sum—you distribute that among a great of units—the rateable houses. If, after that is done, the value of any particular house is either raised or reduced does not that affect more or less the whole allotment, and how do you meet that case?—The assessing authorities as a rule ask me in the month of June (of course, they know that I have been over the City and see where there are increases or decreases) what may be the increase. "I have always had to deal with an increase as a rule. They say: 'What may be the increase this year?' If I say 20,000*l*. increase then that is their guide in determining what rate they require to ask each ratepayer to pay."

Mr. *Hempill*.—continued.

641. To plot that?—Yes, I generally make an allowance for some deductions.

642. You make a margin?—Yes.

643. So that the result of the appeal will not alter the general result?—That is so.

Mr. *Goulding*.

644. I understand from you the valuation is liable to be altered each year?—It is.

645. Who pays the rates, the occupier or the owner?—Well both pay under the Statutes. Several of the Assessing Acts provide that the assessment is divisible.

Chairman.

646. Do not mislead Mr. Goulding; do not let us have any doubt about this. It varies very much according to the tax you are speaking of. Some are on owners, some are on owners and occupiers, some on occupiers only?—Yes.

Mr. *Goulding*.

647. I am not meaning an owner's tax. I want to know who pays the ordinary rates on the house—poor rate and other municipal rates?—The poor rate and school rate are paid equally by owner and occupier.

648. Whom do you collect it from?—From the owners and occupiers.

649. Who actually pays it?—

Chairman.] Both pay it.

Mr. *Goulding*.

650. The landlord may include it in the rent and pay it. Is it collected from the occupier or the owner?—From both under the Statutes—both must be assessed.

Chairman.] In Scotland there is a separate demand note to the occupier and a separate demand note to the owner.

Mr. *Goulding*.] May I take it in cases where there is compounding?

Chairman.] There is no such thing as compounding. The only exception is houses under 4*l*.

Mr. *Goulding*.

651. What is the exception?—As the Lord Advocate has just mentioned, houses under 4*l*. are rated direct against the owner, who receives an abatement of 25 per cent.

652. What I wanted to bring out is this: In cases in Dublin rents of 60*l*. a year to my own knowledge—It may be much further, and I believe it is further—the rates in all those cases are paid directly by the owner and not by the occupier?—Well, in Scotland the owner is charged his proportion of the rates, and the occupier is charged his proportion.

653. What I want to get at is this: If your valuation is liable to be altered yearly, and the house is let at 60*l*. a year on a lease, then all the increase in the rates must fall upon the owner and not upon the occupier at all?—No. The rent under the lease determines the rent upon which the rates are to be based, and under the Assessing Acts each party is asked to pay his share of the rates.

654. A house is let by a landowner to an occupier for a term of, say seven years, at 60*l*. to include

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[Continued.]

Mr. Goulding—continued.

include rates, which is the practice in Dublin at the present time, the landlord estimating the rates. You tell me the rates are liable to be altered yearly, and those rates may be enhanced by the value you think of the property surrounding such tenancies. If that is so then the owner will be liable all through to pay all the increase of rates thrown upon him?—That is quite so.

655 Irrespective of his lease?—Yes, but that would not happen in Scotland. A person may have a lease of a house for seven years. The owner is charged every year his proportion of the rates, and the occupier is charged his proportion. The rates may go up or down. They have a basis there upon which rates are made.

Chairman.] May I interpose this. The real truth is that Mr. Henry has not quite seen that the hypothesis of your question is. I do not say theoretically impossible, but practically an impossible one in Scotland, viz., that you put the case of a man who had let a house in Dublin for 60l. to include rate.

Mr. Goulding.] It is the invariable practice.

Chairman.] A lease in Glasgow at a certain sum to include the rates, I do not say would be a legal impossibility, but I do not suppose there is such a thing in the whole of Glasgow from one end to the other.

Mr. Lough.] We have not a clear answer from the witness.

Chairman.

656. What Mr. Lough wants is this, that you should put down in the evidence what I said—it is the case, is not it, that in Scotland the owners' and occupiers' rates are always levied separately on the owner and occupier, and the only exception to that rule is for houses under 4l. where the rate is levied directly on the owner?—Yes, that is the general rule.

Mr. Goulding.

657. It is clear that, as regards the custom in Dublin, an annual valuation might bear very unfairly on the owner?—Yes, but if the system in Ireland was the same as the system in Scotland there would be no danger of that whatever, because each party would be assessed annually. Supposing it was a rising lease he would be assessed annually on the rental for that year in the lease. If the rates went up he would be assessed on the higher rates in the rate book.

Chairman.

658. Take the case of a house that is let at 60l. a year. That 60l. is the annual value on which the taxes will be charged both to the owner and the occupier?—Yes.

659. And then, supposing the Poor Rate is at the rate of, say, 1s. in the £.—3l. on the whole—you will have 1l. 10s. charged to the owner and 1l. 10s. charged to the occupier?—Yes, in the case of Poor Rate and School Rate it is just one-half, but to put the rates altogether, in Glasgow the owner pays something like 25 per cent.

Mr. Goulding.

660. It practically comes to this: An annual valuation, where long leases are in question,

Mr. Goulding—continued.

may act very unfairly on one of the parties?—Not in Scotland.

661. I understand from you, you issue a return to the owner and occupier yearly?—Only to the owner.

662. How is the filling up of that complied with?—How do the returns come in?

663. Yes?—They come in well. I have little complaint to make against the making of the returns.

664. Do people fill up these returns although there has been no alteration?—They do.

665. How do you estimate in the case of fines or premiums? If a house is taken how is the question of fines or premiums for the tenancy levied out upon the valuation?—I do not take it into account at all.

666. Surely the house is worth more if 500l. is paid as well as the annual rent?—You mean if an addition is made.

667. I do not know what you call it in Scotland; we call it fines and premiums in this country?—Do I understand, supposing a tenant takes a lease of a house for seven years and he adds buildings?

668. No, he does not add anything. At the beginning of his tenancy he may be called upon by the landlord to pay him 500l. fine on premium?—Over and above the rent?

669. Yes?—If it is a sum that is paid down over and above the rents I take that sum and spread it over the lease.

670. Over the years?—Yes. If it is seven years I divide the sum by seven.

Chairman.

671. That would be very unusual?—Yes.

672. The word "grassum" which is used in the sixth section which you read to the Committee means something equivalent to a fine; a sum paid down for the benefit of a lease for years?—Yes, it does.

673. And you are directed by the Statute then to take into account that as well as the merely yearly conditioned rent?—Yes.

Mr. Hemphill.] We want to know how he takes it into account.

Chairman.

674. You divide it by the number of years?—Yes.

Mr. Goulding.

675. As to these large houses in the country districts which are filled with furniture of more or less value, and occupied by a caretaker, the owners living in Dublin and the houses being to let, how are they valued?—That would be a very simple matter; I would simply ask what rent was wanted.

676. You have to come to a case in Ireland where you get no rent at all?—I should expect the owner in that case would be able to say to the assessor the rent he wants to get from the tenant for the house. He has a house to let and he is prepared to let it to "A" or "B" tomorrow, but he wants to get a fair and reasonable rent for it. What is that fair and reasonable rent?

677. How do you get at it?—I would get it from the landlord himself.

678. But

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Mr. HENRY.

[Continued.]

Mr. Goulding—continued.

678. But in a case where the landlord is unable to let it?—He is unable to let; I think it is not too much to ask him the question: "Do you want 150*l.* or 200*l.*; or what is the rent you would take to-morrow."

Mr. Lough.

679. Or 30*l.*?—Or 30*l.* If a tenant were to turn up, and he said 30*l.*, I would take it right away.

680. Suppose by any of your other calculations of interest on buildings or floor space the house were worth, according to your calculation, 700*l.* a year, and, yet if the owner said to you, "I would be glad to take 25*l.* for it," would you then value it at 25*l.*?—Yes I would if he would take that rent.

Chairman.

681. I want you to tell us, Mr. Henry, what you do about licenses of public-houses in Glasgow. How do you arrive at the value of a license?—As to licensed premises in Glasgow, which usually bring a larger rent than the ordinary herbage—the licensed shop will bring a half or a third more than a shop occupied by drapers or boot and shoe makers. I take the rent paid to the landlord. That fixes the rent, unless it may happen in this way that a licensee wishes to sell the goodwill of his business and he gets 1,000*l.* from some party who takes the shop, if the landlord shares in that 1,000*l.*—supposing he gets 100*l.* of it—I take that 100*l.*, and I spread it over the remaining years of the lease, but if the landlord does not participate, if the outgoing tenant puts the money in his pocket and walks off with the money in his pocket complete, and the landlord gets nothing, in that case I cannot interfere.

682. Then in the case of a man who was occupying his own premises, and had a license, you would take in view the rent that is generally got for licensed shops of the same sort?—Exactly.

683. As a matter of fact, does a license enhance the value of premises?—It does; a licensed shop always brings a much larger rental—a third, or perhaps half more rental than any other shop in the locality.

Mr. Lough.

684. On your explanation of the 1,000*l.* case, if the new tenant has given the 1,000*l.* to the previous occupier who has gone away, is not it a proof that the tenant thinks the place worth 1,000*l.* more than the rent that he is paying to the landlord, and have you no means of putting an increased burden on the tenant to represent the interest or the principal of the 1,000*l.*?—I have no means at present of dealing with that 1,000*l.*, unless the landlord participates to some extent.

685. I am assuming he does not?—Unless he participates I cannot deal with it.

686. Do you think that a defect in the law?—I have sometimes thought that where a large sum was paid, that it showed there was a good business being done, and possibly the landlord might get more rent, but I expect the landlord is alive to that fact, and when it comes to be a new lease, he will take advantage of it and increase the rent.

0.25.

Mr. Lough—continued.

687. Are there any tied houses in Scotland?—No.

Mr. McKillop.

688. In the event of a publican making any alterations to his premises, do you add anything to the rent because of those alterations?—Under an amended Valuation Act, 1896, powers are given to assessors that, where any structural alterations or improvements are made by a tenant, the assessor is to take into consideration the value of those alterations or improvements, and to enter the tenant in the Valuation Roll as owner and occupier, and the yearly value opposite the entry.

Chairman.

689. That is not peculiar to public houses—No, it applies to all.

Mr. Hemphill.

690. Would it make any difference if a publican enlarged his shop very much, that is to say the accommodation for drinking?—If the alterations were merely internal, a re-arrangement of the counter and perhaps the boxes and things of that sort.

691. If he threw a back room into the front shop?—If they were merely internal alterations I would not interfere, but if he made structural alterations in the way of new flooring or put new windows, or perhaps had the cellarage all altered and the floors laid with asphalt or something of that kind, I would call those structural alterations, and ascertain the cost.

692. But not a mere re-arrangement of the premises?—No.

Sir James Haslett.

693. You stated to us when a man "fined" down a lease you valued that then in connection with the rental, and made a greater rent than appeared?—Yes.

694. By parity of reasoning, if a man gives 1,000*l.* for getting into a house of 50*l.* a year, how do you deal with that 1,000*l.*?—I never knew of a case of that kind, if it is so.

695. If it is between tenant and tenant, you do not calculate that in the value of the premises?—Unless the landlord participates.

696. In the payment of your licenses in Scotland, is the license paid upon the valuation of premises?—It is.

697. Bare and simple. Supposing there is a rental of 30*l.* is the license paid upon a 30*l.* rental. The license I take it in Scotland is a graduated one?—No, I do not think there is any difference between 30*l.* and 100*l.*

Mr. McKillop.

698. Oh yes, there is?—I am speaking under correction, there is a scale.

Sir James Haslett.

699. It is for excise purposes I referred to?—The excise people have a scale which they go by in assessing shops according to rental, I think it is under 40, and 40 to 60 and so on.

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700. When

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MR. HENRY.

[Continued]

Mr. Hemphill.

700. When you are assessing a public-house do you go into the question of profits?—No.

701. Not at all?—No.

702. Therefore it becomes immaterial what is paid for the license. Of course the more there is paid for the license the less profit is made out of the given course of business?—Yes, I sometimes wonder where the profit comes in upon the sum paid for the goodwill.

Sir John Colomb.

703. You say that structural alterations you take into account but not internal arrangements?—Yes.

704. Supposing that a man in order to increase his accommodation, throws down an internal wall or partition, do not you call that a structural alteration?—Yes, it is a structural alteration.

705. Therefore you would take into consideration alterations which give a greater accommodation for customers?—It would depend upon the nature of the alterations. If there was a brick wall running up and that was taken down and all thrown into a saloon or a shop that is a structural alteration.

Sir James Haddet.

706. Who calls your attention to that; is it the rate collector?—My inspector. He goes round from door to door.

MR. NICHOLAS J. STENNOTT, called in; and Examined.

Chairman.

712. I think you come from Furness, Naas, County Kildare, do you not?—Yes.

713. You are Chairman of the Board of Guardians of the Naas Union, and you are a Director of the Great Southern and Western Railway Company?—Yes; my evidence of course is not in any respect official.

714. No. You wish, I think, to give the Committee some views upon the valuation in Ireland?—Yes. In substance the first few paragraphs of my memorandum come to this—that the inequalities and the anomalies of the existing valuation are far greater in the case of houses than in the case of land, although considering the long period for which the existing valuation, since 1852, has gone on, there are probably anomalies also in the case of land.

715. As to the history of Irish valuation I will not take that from you because we have already got it from Sir John Barton. It is your view, is it, that reform in the valuation in Ireland is much more clamant in the matter of houses than in the case of land?—Far greater and far easier; that is to say, there are far greater anomalies to remedy, and they are far easier to remedy; in fact the partial re-valuation of houses under Section 29 of the Valuation Act of 1852 has perhaps increased those anomalies in the case of houses, because, as has been shown, an alteration in the value of houses can only be made where the limits (as the Section says) have become altered or whereof the valuation has been

Mr. Hemphill.

707. I understood you to say you did not take into account mere internal re-arrangement; perhaps I misapprehended you?—That is correct.

708. If there is a partition inside between two rooms and you throw down that partition, would not that be an internal re-arrangement?—Well if it was a partition which was brick, the tenant could not do that without the consent of the landlord.

709. But supposing he did do it?—If he did do it, he would do it at some expense. I would say he has improved the premises to that extent by taking down this partition, and I would simply ascertain the cost of the structural alteration.

Chairman.

710. One can explain it in a broad, legal way Mr. Henry's general view is this, that any re-arrangement of tenant's fixtures is a thing of which he would take no countenance, but whenever an internal re-arrangement or a re-arrangement of a structural nature took place which eventually ensured to the landlord that would be taken into consideration?—Yes.

Mr. Hemphill.

711. Then it is really a question of the letting value point of view, not from the increased accommodation to the public?—Yes, that is so.

Chairman—continued.

changed by any building being erected thereon or thrown down or destroyed as the case may be; and therefore a mere increase of rental value would not allow an alteration in the valuation, nor would a decrease, as I read it, although as I understand (that is an additional anomaly) the practice has been to re-value where there is a decrease, because of course in those cases the owner or occupier naturally calls attention to it, and it has not been the practice to re-value where there has been an increase. So that, as I read that Section, there is power to re-value neither in one case nor the other. Naturally in the case of land the natural fertility of the soil remains, and there is not the same change of character.

716. Is it your view that there ought to be legislation to allow of new valuation of the houses?—Yes. When I say "houses"—I will come to that perhaps later if you will allow me—I should begin with the county boroughs, go on to the urban districts, and then possibly to the houses in the small towns which are not urban districts; but it is very questionable whether it would be just or you would get a uniform result if you re-valued isolated houses in the country, unless you also re-valued the land, because the immense majority of houses in the country have a value as appurtenant to or incidental to agricultural operations, or would not have value in themselves.

717. Have you any views as to what class of re-valuation for those houses it ought to be; I mean a valuation once and for all on each year,

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Mr. SYNNOTT.

[Continued.]

Chairman—continued.

or anything of that sort?—I think that is a question of feasibility. I would not venture to disagree with Sir John Barton in the providing—I think he provides for—a quinquennial valuation, but, of course, there ought to be a general re-valuation to begin with.

718. You think the first thing to be done is to get a general re-valuation of the houses?—Yes.

719. Taken in the order that you have suggested?—Yes.

Mr. Hemphill.

720. Do you mean a general re-valuation all over Ireland?—I should begin with the houses in the county boroughs, then go on to the urban districts, and then possibly to the small villages. I think that probably that is not such a pressing matter at all. As anyone who knows the country villages in Ireland would say, there have not been such great changes there as in the large towns.

Chairman.

721. What is your view as regards the principle of value to be applied to houses?—It is clear that, for every reason, the only principle to be applied is the principle of full annual rental value. In the first place the valuation is the basis in Ireland, to a certain extent, of Imperial taxation. It should be uniform with the principle in England for statistical and state purposes, and it is the only principle which can be tested by, and which is based upon facts and experience. I say also if there is to be a re-valuation of land, that is the only principle which you can or ought to have in the case of land too; otherwise there would be no uniformity as between the valuation of houses and the valuation of land.

722. You are aware that the annual value is the principle equally in England and in Scotland?—Certainly, and it is the principle in the case of houses of Griffiths' Valuation, though not perhaps in terms the principle of Griffiths' Valuation with regard to land, but I can give reason for showing that Griffiths did in fact rely upon that principle, and probably his valuation is to a great extent based upon rental value.

723. Keeping to the houses for the moment, would you advocate that where there is an actual rent paid without other consideration that that should be taken as the value?—Provided it was the full rent, the rack rent, provided that there was no fine, and also subject to the question of long leases, because in the case of long leases, actual rent is not a test at all.

724. Have you anything else to say upon the point of the valuation of houses?—Well the difficulty must be faced of cases in which there is overlapping of areas, that is to say, where part of a union is within the county borough and part is outside. There is a provision in the Local Government Act of 1898, I think it is Section 65, Sub-section (2), which does, I think, attempt to deal with the difficulty; but as I read it (I have read and re-read it) I cannot conceive that it satisfactorily deals with it at all. I mean this: Supposing there is land within a county borough area upon which rates can be

Chairman—continued.

levied. If you raise the valuation of the houses in that area, it seems to me you must also logically raise the valuation of the land within the area. To meet the difficulty, it may be that you must either in those cases alter the boundaries of the local taxable area, or you may provide that in certain cases, the old valuation should obtain. But I dwell upon it as a difficulty that should be faced, if there is to be no general revaluation. If there is to be a general revaluation

725. The difficulty does not arise?—No.

726. It would have to be faced if you took that order of valuing, which you yourself suggested?—Yes; for instance, in urban districts in Ireland, although they levy their local rates for cleansing or sanitary purposes, they pay the general poor rates of the union; the urban district being generally part of a larger poor law area, and they pay the county rate. If the value of houses is raised in these urban districts, and the value of the land in these encircling districts in the same local area is not also altered, there may be fresh anomalies. That is assuming, as as I assume, the value of the land has not remained normal.

727. Is there anything else that you would like to say about the valuation of houses?—No; except this, perhaps, that if it is decided to revalue houses and not land (that is, land within a union), really in the result very little harm would be done, because it was only since the recent Local Government Act that the incidence of the Poor Rate was changed from an Electoral Division to the Union, and I know—and it has already been given in evidence before the Royal Commission on Local Taxation—that that change of system has resulted in a very large increase of taxation on rural districts; for instance, in the Cork Union, which includes not only the County Borough of Cork but a large area of agricultural land outside; and, therefore, really, if there was to be a revaluation of houses and it resulted in a large increase in the value of houses and not land, we should really be only going back to the old incidence of taxation to a great extent. I will refer you here to the evidence of the Chairman of the Cork County Council, given in the Royal Commission on Local Taxation, Volume 5, page 110. He said in that case that the only remedy for that, which seems to have been overlooked in the passing of the Local Government Act, was a revaluation of houses, because the result of that change of incidence was to a large extent to make the agricultural areas pay a larger proportion for the poor in the urban areas.

728. That seems to be really only another way of saying this, is it not—that the alteration in the true value of houses in Ireland has been much larger than the alteration of true value in agricultural lands?—It all comes back to that.

729. If you impose taxation as things are at present, it presses unduly on agricultural land?—That seems to have been overlooked.

730. That is to say, in other words, that there is more difference between the true value of houses now and houses at the time of Griffiths' Valuations than there is between the true value of the land now and the land at the time of Griffiths' Valuation?—I would not say that of

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MR. STENOTT.

(Continued.)

Chairman—continued.

all houses. But, generally, there have been greater variations in a local taxable area between the value of houses than in the valuation of a given quantity of land in a local taxable area.

731. Passing for a moment from houses to land, if a valuation or re-valuation of land is attempted, I suppose your view as to the standard of value is obviously the same on land and houses, that is to say, the ideal to be arrived at is the real annual value of land?—Yes, that must be so. You must have uniformity throughout the whole of Ireland as between houses and land in the taxable area, and you must have uniformity between England and Ireland, otherwise your statistics will be perfectly useless; and also, as valuation is, in Ireland, to a certain extent the basis of Income Tax, it is obvious you must have uniformity of principle in respect of the houses and in respect of land, otherwise the owner of land or occupier of land might be paying more or less than the owner or occupier of houses for Income Tax.

732. When you come to try and arrive at the annual letting value there is a difficulty in connection with Ireland, is there not, in the existence of the judicial rent?—Great difficulties.

733. I suppose you consider that it necessarily follows from the mere existence of the tenant-right, that a judicial rent cannot represent the whole value of the land?—That is not the only point.

734. That is a point?—That is a point—that the fair judicial rent is really only an allocation, as between two parties, of the total value.

735. Have you any suggestion as to getting over that difficulty, supposing you were coming to a re-valuation of the land?—I confess that I do not see the answer to that difficulty, as well as all the other difficulties that arise. Theoretically, in the abstract, re-valuation of land is desirable, but I do not see how you get the basis of value—that is, the full rack-rent—I do not see how you get it. The theory of land legislation is that rents are not to be rack-rents.

736. That actual rents are not to be competitive?—They are not to be competitive rents. The very fact that the Irish Land Acts exclude competitive rents, seems to me to knock out the basis of using judicial rents as the data upon which the valuer can go, and that is quite apart from the other question, that they do not cover the whole interest—that there is the interest of the tenant as well as the landlord.

737. You are aware that Sir John Barton made a suggestion as to what might be done?—I am aware that he suggested that the full value should be obtained by adding to the fair rent a percentage upon the price paid for tenants' interests.

738. I think I had better read to you what Sir John Barton said. At Question 69 he is asked how he would propose to deal with it where the rent has been fixed by a statutory tribunal, and he says this: "The Land Commission (who are the tribunal referred to), when they value a holding, issue a document, which shows the value of the holding as it would be if it were in the landlord's hands. When I say they issue that document, they do so since the Act of 1896 was passed.

Chairman—continued.

They, in the same document, set out what is called the 'fair rent.' The difference between the sum which they set out as the rent, if the holding was in the landlord's hands, and the fair rent is interest on the tenants' expenditure for improvements, such as the building of a house, the making of drains and fences, and whatever may be considered improvements by the Land Commission at the time they visit the holding. It seems to me that in those cases where the Land Commission have fixed that first-named sum (namely, the value that it was in the landlord's hands) it might be taken?"—I answered to that; that has been done in only a comparatively few cases.

739. You mean the procedure under the Act of 1896?—Yes. What we are now contemplating is a general re-valuation. I assume nobody would suggest that there is to be a valuation of land unless there is to be a general re-valuation. That section applies to a comparatively few cases.

740. I put this to you. It may very well be that up to this moment there have been comparatively few cases dealt with in that way under the Act of 1896?—Yes.

741. When you come to a general re-valuation there would probably be more. A great deal of the ground would be still uncovered. I am assuming that you think that?—An immense deal.

742. But still it would be possible, theoretically, to do in any other instance what the Land Commissioners would have done if they had come to it under the Act of 1896.

Mr. Hemphill.

743. How could they ascertain the value of the buildings without an inquiry?—The answer is that it all comes back to that—that what they have to fix is not value, but fair rent. The Section says, "Where the Court fixes the fair rent," and that "fair rent" has never been defined. It is not value. In addition to that, this Schedule which gives these particulars is not compulsory if both the landlord and tenant shall otherwise request. There may be cases in which the landlord and tenant may not agree to have the Schedule.

Chairman.

744. With great deference, you have not answered my question. You do not seem to object to Sir John Barton's proposal in all cases that had been dealt with in this way under the Act?—I do.

745. You did not say that you objected?—Perhaps I did not make it clear. I said that there was the initial difficulty, which did not make this a satisfactory basis—that the Land Commissioners have not to find value even in that case—they have to fix a fair rent. It is not competitive value.

746. I must begin again, because I must press upon you this part: Sir John Barton's suggestion is that where Land Commissioners have dealt under the Act of 1896 by issuing this document, that document might be taken. I asked you what you had to say against that suggestion.

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[Continued.]

Chairman—continued.

suggestion, and your first answer, and a perfectly fair answer, is, that it is only in a comparatively few number of cases that that has been done?—Yes.

747. I will take any other objection you have; but following out that answer, I next put to you what difficulty would there be in a valuation body, whoever they were, theoretically doing what the Land Commissioners might have done if they had come to the particular case under the Act of 1896?—But that involves the suggestion that you are to have a new body of Government officials practically re-doing all the work which the Land Commissioners are doing.

748. Pardon me, it does not, because, remember the hypothesis of this only arises where a fair rent has been fixed. The whole process only begins where a fair rent has already been fixed by the Land Commissioners?—Yes.

749. Would there be any difficulty in any valuation body dealing with that fair rent as they found it—not fixing a new one, of course, but dealing with that fair rent as they found it, creating, so to speak, a document under the Act of 1896?—Yes. Taking that as a basis of valuation, I now answer that question. I read Section 5 of the Schedule, which gives this information: "State the annual sum which should be the fair rent of the holding, on the assumption that all improvements thereon, including the buildings, were made or acquired by the landlord and give details of valuation." The words which prevent that being a full and satisfactory value or basis of value, and prevent that being tested, are the words "fair rent."

750. I still do not think you quite understand my question. Here, in the case I am putting, the "fair rent" has been determined by the Land Commissioners?—Yes.

751. Do try to follow me; In the case I am putting, the "fair rent" has been determined by the Land Commissioners. I am not proposing that anybody should go back upon that?—But "fair rent" is not value—it is not necessarily value at all.

752. Of course, it is not. I am sorry you are at cross purposes with me, but I do not think you quite appreciate Sir John Barton's proposal. As I understand, the "fair rent" has been fixed in a vast number of cases in Ireland, and it is only in those cases that we are confronted with a difficulty at all. Where there is no question of a judicial rent, you can get at the value in the same manner as you do in Scotland and Ireland. Where you are confronted with a difficulty is where there is a judicial rent?—There are other difficulties in the other cases, too.

Mr. Hemphill.

753. There is no uniform standard. You would have one town land paying on one basis and another town land on another. Future tenants are not within the Act at all?—There are so many answers really.

Mr. Macartney.

754. Your opinion is that the pink schedule containing all this information as to these various values does not cover all the element of value

Mr. Macartney—continued.

for taxation purposes?—It does not, and it has been so found by the Fry Commission. I can quote from the evidence of Mr. Murrough O'Brien, be himself being a Land Commissioner. This is a memorandum on this question, which was submitted by Mr. Murrough O'Brien to the Royal Commission on Local Taxation. He compares the machinery of valuation and the machinery of fixing fair rents, even including the provisions of the Act of 1896. At pages 194 to 196 of volume 5 of the Royal Commission on Local Taxation, Mr. Murrough O'Brien puts on one side of the column the principles of a correct and uniform valuation, which now obtain in England, and on the other side the principles of ascertaining fair rent under the Land Acts of 1881 and 1896, and he sums up the result in this way: "The result is that the values placed on farms under Section 1 (1a) of the 1896 Act are most uneven; appeals are multiplied; the Appeal Court on value is a lottery; professional men, whether valuers or lawyers, do not know what evidence to give, or what points to argue. Decisions are given as to value with absolute silence as to reasons, and appear to the parties and to the public, arbitrary, governed by no judicial discretion, and founded on no principle." He also points out there that there are elements of value which ought to be considered in the valuation, which are not considered, in fixing fair rents. For instance, only agricultural values are considered in fixing fair rents—residential value is not.

Chairman.

755. Now I think I have got really at what is at the bottom of your mind. Is it your objection to Sir John Barton's proposal that I quoted to you in answer to Question 69 that a necessary ingredient of that value is fair rent, and that as there is no standard for "fair rent"—no definite standard—you will, therefore, not get uniformity of valuation if you go on any value of which fair value is an ingredient?—Yes—that it cannot be tested, and that it does not include all the values.

756. I understand that now, but if you object, as you seem to do, to having anything to do with fair rent in the fixing of value; I think you must suggest some other value. Now what is that?—I say that the thing is practically impossible. I do not hesitate to say that. I have thought over this for two or three years.

757. Does it really come to this, that you say that valuation of Irish land is impossible?—I say it is almost impossible to get a uniform valuation under the present system of land legislation.

758. You must take the land legislation of Ireland as an accomplished fact, just as you take the Irish country and the Irish people?—I do not know that it is an accomplished fact. One of the great difficulties we have seen is, that even of the great difficulties we have seen in, that even now there are suggestions that the system of fair rents should be abolished. How can it be suggested in the face of proposals now in the air, that "fair rents" are to be the permanent basis of valuation?

Mr. Hemphill.

759. We have, at present, an existing system of valuation—I mean, Griffiths' Valuation. Can you

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[Continued.]

Mr. Hemphill—continued.

you suggest any improvement upon that?—I do not say that there are not anomalies in Griffiths' Valuation, but I am very confident that, if there was to be a re-valuation on the principles suggested, the great bulk of the farmers would be up in arms against it, because they would say it was unfair. Griffiths' Valuation may be unfair—probably it is, as between Ulster and the tillage counties and the southern provinces, but I doubt very much whether in small taxable areas, Griffiths' Valuation on the whole—it may be below the real value—but I question, on the whole, whether it is not as uniform as any new valuation would be.

Chairman.

760. I quite understand your views. Your view is, as you have given us that the difficulties are so great that you had really better stick to Griffiths' than do anything else. That seems to me to be what your evidence comes to?—Well, I have been waiting for some solution of these difficulties.

761. At the same time, I understand you to state as your own view that Griffiths' Valuation does not represent that actual value of the land?—It may be that, perhaps, it is 20 per cent. below the real value, but I say, if that deduction or addition should be made over the whole of a taxable area it does not do any harm—it only affects the rate in the £.

762. It makes no difference, as long as it is uniform in the area itself. But it makes a difference in two places—it makes a difference where a taxable area embraces partly the country and partly the town, and it also makes a certain amount of difference on questions of Imperial Taxation, as between Ireland and the other kingdom?—Yes. If Griffiths' was so wrong as some people try to make out, I do not believe that it would be so constantly used by farmers and valuers and everybody else in sales and judicial proceedings, *i.e.*, in respect to land.

763. Shall I fairly summarise your evidence, when I say this: You consider that the anomalies are so glaring in the case of the valuation of houses, that it is clamant for a new valuation?—Yes.

764. You consider that there would be no practical difficulty in getting the yearly letting value of houses, and you consider that the anomaly of Griffiths' Valuation is not so glaring as to call for immediate remedy; and you also consider the practical difficulties so insuperable that you do not see your way to recommending any change of system even although Griffiths' Valuation may not represent the actual value of the land?—Yes; and would it be worth the cost?

765. Is that a fair summary of what you want to tell us?—Yes; but I wish to go back to the pink Schedule, because I do not wish to leave that point alone. Not only do I have a statement of a Land Commissioner here, but on page 30 of the Fry Commission they deal with this very point of the pink Schedule [referring to answer given by Sir John Barton at answer 69]. Pages 30 and 31 of the Fry Commission show the imperfection of that Schedule, and coupled with that, at pages 18

Chairman—continued.

and 19 they show what I before alluded to, that fair rent only covered agricultural value, and did not cover the other elements of value, which properly should be included. For instance, in the case of a residence, purely residential holdings are excluded from the Land Acts altogether—the fair rent provisions; but a holding that is partly residential and partly agricultural is included, and a fair rent can be fixed; but, as I understand—if I am wrong I can be corrected—in that case where the Commissioners fix a fair rent they only fix the agricultural value, and they do not put the value upon the place as a residence; but that should be properly included as value for rateable purposes.

Sir James Haslett.

766. You mean that if there are 60 acres of land and a residence, that the fair rent is put upon it as land?—It is put upon the holding.

767. The whole holding. But surely if it is valued as land and house suitable for an agricultural holding—does not the house come into it?—Oh, certainly. I am assuming a case where a house has a value, and the whole farm has a value as a residence, apart from its purely agricultural character. The Land Commissioners would have nothing to do with that.

Mr. Macartney.

768. You were asked whether, in your opinion, the pink Schedule, assuming the correctness so far as the value went of all its data, included all the elements of value for taxation purposes, and you said "no"?—Yes, and I referred to what the Fry Commission said. They pointed out on page 19 that the element of money-making profit was the element that was considered by the Land Commissioners.

769. With regard to the anomalies of Urban District rating valuation you said if there was a re-valuation of the Urban District further anomalies might be created, unless there was a re-valuation of the land in the immediate vicinity?—It is a very difficult question. I do not think that it would be found that there is a great increase in value in the houses in the small Urban Districts, but I confess that is a difficulty which I do not quite see the answer to, in the abstract.

770. Would the increase in the value of taxes in the county areas which the Chairman of the Cork County Council alluded to, arise from the fact that before the Local Government Act, the Poor Law divisions in rural districts were separately rated—I mean to say bore their own separate valuations, and, therefore, that where you had a large number of Poor Law divisions in which there were no villages the rate was generally very low?—Yes, that is so.

771. Now these Poor Law divisions have to bear the high rate which was originally struck in the Poor Law divisions where there were considerable rural villages of 1,200 or 1,400 inhabitants?—Yes, I think, on the whole, there would not be much injustice, for the reason that you mentioned, that probably the result has been to place a burden on the agricultural land for the support of paupers which did not exist before.

776. Therefore

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[Continued.]

Mr. Macartney—continued.

and, therefore, if there were an increase in the value of the houses in urban districts it would probably adjust that, and remedy that injustice.

Mr. Hemphill.

772. Do I understand, when you talk of re-valuation of houses, that you apply that to towns only and villages?—I suggest that it should begin with the County Boroughs, and then go on probably to the urban districts or towns under special Statutes. Whether it would be worth while doing it—I mean a general re-valuation in the small villages in Ireland, I really do not know.

773. There are a number of small villages with very small wretched houses throughout different parts of Ireland. Would it be worth while to have a re-valuation of those villages?—The difficulty would be this, that in many cases in those small villages the occupier is also a farmer to some extent, and perhaps his farm buildings are in the village too, and it would be difficult to re-value those houses where they have farm buildings attached without also valuing the land to which those buildings are appurtenant.

774. When you speak of re-valuing houses as contra-distinguished from land, you do not mean to include in that valuation farm houses all through the country?—Oh, no—I think it would be impossible.

775. I mean isolated houses?—No, it would be impossible to do that, and it would be unjust to do that unless you also re-value the land, because as to the great majority of the farm houses their principal value is as a residence for the farmer, and the buildings and farm buildings have no value except as appurtenant to the farm.

776. Therefore, am I correct in saying that the re-valuation of houses which you have suggested as thinking advisable, is confined to houses in county boroughs, houses in towns of some importance under the Land Commissioners Acts and villages only?—Yes.

Mr. Macartney.

777. Urban districts, I understood?—I include urban districts, because they levy their own town rates.

Mr. Hemphill.

778. Would you confine the valuation to county boroughs and urban districts?—I think for the present that operation would take five years, and I think there will be time enough to consider it when that time comes. You are tolerably acquainted with a good many places in Ireland. In your opinion, would the effect of such a re-valuation, as you suggest, be to increase or diminish the sum total of the value of the houses—taking the aggregate?—It is obvious that a great many houses have escaped valuation, and escaped re-valuation under Section 29, and the very fact that Sir John Barton has given evidence that he is obliged, when he re-values houses now, to take off something like 23 per cent. from the value, to bring it down to a level with Griffiths' Valuation, is clear proof that there probably would be an increase.

780. Is it not the fact that in most of these

Mr. Hemphill—continued.

towns in Ireland, instead of being improved, the houses are gradually getting worse and worse and more dilapidated?—You are, perhaps alluding to the small towns.

781. I am?—I was thinking rather of the county boroughs.

782. We will say the urban districts. As a rule, are not the houses in these towns let cheaper, and diminishing in actual value and pecuniary value every day, compared with the past; is that your experience?—Probably, that is so; but on the other hand the value of money has diminished—I mean to say, that a pound is worth more now. I would not like to say whether one would counterbalance the other. Quite apart from general increase in value, re-valuation may be desirable to prevent anomalies, as between one house and another.

783. I am not finding fault with your suggestion on that, but I want to see what the practical effect would be of a general re-valuation of houses, such as you have suggested. Do you not, from the condition of things in Ireland within your own observation, believe that the result would be to have a less aggregate valuation than at present exists?—No, I think it would be increased in the county boroughs, and I doubt very much whether there would be much increase in the small towns.

784. Do not you think it would be diminished in the small towns?—I am not sure. Old houses have fallen down and the good ones remain.

785. Perhaps you have not turned your attention particularly to that point of view?—No, I have not.

786. You know Dublin pretty well?—Yes.

787. Do not you know as a fact that in the north side of Dublin some of the houses in the best streets that some 20 or 25 years ago were let at substantial rents, are, many of them, turned into tenements now, and many of them are vacant and not capable of producing any appreciable rent?—Yes, but in those cases, subject to correction, I think the valuation has been reduced under this Section.

788. I do not know that there has been very much revision?—I am told that where there is reduction in rental the attention of the Commissioner of Valuation is called to that and the valuation is reduced.

789. But whether it would increase or diminish it, is not the standard prescribed by Griffiths' Valuation the letting value from year to year; what a house will let at from time to time; is not that, as applied to houses, the fairest of all tests?—Yes.

790. And if that is the test under the existing law, is there anything further required than to revise the existing valuations and see whether the test is still applicable or not. I am speaking of houses now?—Yes; under the existing law there can be no general valuation.

791. But there is a revision?—It can only be revised in certain specified cases under the twenty-ninth Section.

792. Surely it can be revised in this way: If the value of my house is diminished, I can have the valuation revised under the existing law?—I believe that is the practice, but if the value of the

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[Continued.]

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the house increases it cannot be raised unless you make a structural alteration. There may be two houses next each other—No. 1 and No. 2. If No. 1 builds out a window he lets in immediately the Commissioner of Valuation, who puts up his valuation.

Chairman.

793. In other words, you do not object to the standard of valuation?—Not at all.

794. But you object to the machinery?—It is not wide enough. It did contemplate a general valuation, but it did not provide for the cost, and it has never done.

Mr. Hemphill.

795. This is an instance that has happened in my own country: I made an addition to my house; my house was valued at 110*l.* as the Poor Law Valuation of it. I made a structural addition to the house, and next year I found that 5*l.* had been added to the 110*l.* I know nothing about it and I did not complain about it, I thought it reasonable enough, but my neighbour's house was reduced by 5*l.*, while mine was raised. If that can be done in one case, why cannot it be done wherever there is inequality or injustice? That actually occurred?—Because in the case you mentioned, if there had been no structural alteration, there would have been no power to re-value the house, although its value had gone up, owing to the increased value of the site, or for any other reason, although its increased value had gone up 50 per cent.

796. The sole object of a general valuation would be to enable the change in circumstances to be taken into account?—And to prevent anomalies and to include, for instance licensed houses, now, which are not valued at all.

797. That stands on a particular basis?—I should also like to add—to cover a great many properties which are now exempted from taxation in Ireland, of which Sir John Barton has given you a list.

798. What would the advantage to the public be from such a re-valuation, because if a given sum of money is to be raised it comes to the same thing whether each house in a district is valued at a higher or a lower rate—the money must be raised. If the valuation of the whole district is reduced the rate will have to be higher. Is not that so?—Yes.

799. Therefore what advantage would accrue from having a general re-valuation of houses in those county boroughs and large towns that you have mentioned?—Because comparing one house with another they are practically not now valued on the same basis—there is no uniformity under the present system, and many houses practically escape valuation altogether.

800. If any individual ratepayer is himself aggrieved at present by the valuation of his house can he not have it revised?—No, he cannot. If the rental value of a house is increased, and more rent is obtained for the house and there is no structural alteration, as I understand it, there is no power in the neighbouring owner of property to go to the Commissioner and say, that house ought to be raised, and the

Mr. Hemphill—continued.

Commissioner of Valuation cannot raise the valuation.

801. Surely the mere raising of rent, which may be a purely temporary thing, would not be made a basis of a constant valuation which if once made is to remain for ever?—I think the actual rent paid is the real test where it is the rack rent. It is perfectly well known that, (you have alluded to the north side of Dublin, on the south side of Dublin the rateable value on the books does not on the whole represent the actual value as proved by the actual rent also.

802. Applying that test, is it not the fact that in most of the cases in Dublin, of the good houses, fines have been paid; how would you deal with those fines?—I should take a percentage on the fine paid to cover interest and sinking fund for the period during which the lease ran.

803. And at whose expense would this general re-valuation of the county boroughs and towns be made, according to your view?—I certainly think it ought to be done at the expense of the Imperial Exchequer, certainly it ought to be done (if it is the basis of Imperial taxation), and if it is to be done, as I strongly support, by a central authority under the control of the Government.

804. You are not in favour of a general re-valuation, as I understand, of agricultural land?—For some of the reasons I have given; I have a great many more.

805. You have given reasons, but the general result of your opinion is against it, as I understand?—Yes, theoretically I should be in favour of it; but in practice I think it is either impossible or not worth the cost and the trouble.

806. Could it be done, in fact, without the greatest injustice now to tenants, having regard to the fact that the tenant has to pay the whole Poor Rate and County Rate on agricultural holdings under the Local Government Act?—There is a point about that, that the Poor Rate now falls upon the occupier, whereas it was previously divided as between owner and occupier and there were adjustments made under the Act of 1898—the Local Government Act—by which, in consideration of the liability to pay half the Poor Rate being taken from the landlord and put upon the tenant, the rent was reduced so much, but that was based upon Griffiths' valuation. If you alter that you completely upset the whole adjustment under the Local Government Act as between landlord and tenant.

807. And would not that eventuate in being an injustice to the tenant; a pecuniary injustice?—It might, or might not. It would depend upon whether his valuation was put up or put down, but certainly it would alter the whole basis of adjustment.

808. Well, you know the theory of re-valuation is that it would put up the general valuation of Ireland?—I can really give no opinion upon that. It might put up the grazing lands, and perhaps, put down the tillage lands.

809. The result in the end would be an increased valuation?—Well, I could not give any opinion. I would not like to give any opinion upon that. If income tax depends upon the valuation

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Mr. SYNNOTT.

[Continued.]

Mr. Hemphill—continued.

valuation, there may be a new national grievance if there is to be a new re-valuation. I could give no opinion.

810. Take, now, a case of an ordinary farm—we will say with the buildings valued at 10*l*. and the agricultural land at 90*l*. Under the existing law the occupying tenant has to pay the whole of the poundage on the 90*l*. Is not that so?—Yes.

811. Of course, if you raise that valuation he will have to pay still the rate on the raised poundage?—That would not matter, of course, if the valuation was proportionately increased in the whole taxable area. It would only affect the rate in the pound. His valuation would go up, but the rate in the pound would be less, and therefore it would not matter to him.

812. As far as the County rates and so forth are concerned?—Yes.

813. But for the purpose of Imperial taxation it would make a very serious difference?—Not to the tenant farmer, generally.

814. Why not?—Because, as a rule, he does not pay Income Tax at all—under the exemption clauses.

815. If his farm was such as not to be within the exemption clauses?—But there are very few. The amount of Income Tax paid under Schedule B in Ireland is something quite trifling. It is nearly all paid upon land in the occupation of owners. As a matter of practice, I believe, the tenant farmer under 450*l*. valuation, does not pay at all. I do not think he is asked to pay.

816. What would be the equivalent advantage to the State of the enormous expense which a general re-valuation of Ireland would necessarily involve?—I do not think that it is primarily a State question at all. I think it is a question of the incidence of local taxation mainly. I say if it is to be made the basis of Income Tax—and I think I do foresee, as I say, an increase of valuation in the county boroughs, and we know from what happened at Belfast that it would probably be so—there was a very large increase at Belfast owing to the re-valuation there, and they were very indignant on being called upon upon to pay increased Income Tax—I say if it is to be made a basis of increased payment for Income Tax, this new valuation ought to be paid for by the State, which gets the benefit of it. The re-valuation of tenanted land might of course seriously affect the amount of Income Tax paid, under Schedule A, by the owners, where the valuation is now below the rent.

817. It would be a very heavy burden on the local taxation?—A tremendous burden. Griffiths' valuation cost 325,000*l*.

818. Is there any reason to suppose that this will cost less?—Probably a great deal more. You will probably have to pay a great deal more for the services of valuers.

Mr. McCann.

819. Do I understand that you object that the judicial rent should be made a basis of taxation?—I do not think they are properly the basis of value.

820. It must be a basis of value; it is the rent fixed between the landlord and tenant, the fair rent; some persons have very curious

Mr. McCann—continued.

opinions about "value"; I have myself; is not the fairest test the judicial rent being fixed?—What "value"? It is not competitive value.

821. I know; we know what the competitive value of land is in Ireland, to get hold of land they give enormous prices beyond its intrinsic value?—The difficulty is to get uniformity. If you allow a competitive value to obtain in towns, and you allow a competitive value to obtain in all cases of land excluded from the Lands Act, of which there are very large numbers indeed, there will not then be uniformity as between the value ascertained by a principle of competition and a value ascertained by a principle of fair rent.

822. We cannot help that?—The question is whether, if you do not get that uniformity, it is worth while contemplating a new valuation.

823. You do not object to the judicial rent being the basis of taxation?—I do not object to the judicial rent being the basis of value as between the landlord and tenant.

Mr. Hemphill.] Do you mean the general re-valuation or merely the valuation of those particular farms on which the rent has been fixed.

Mr. McCann.] It is the particular farms on which the rent has been fixed. It is in my opinion the fairest test of value there in.

Chairman.] The witness has said that he would never accept the "fair rent" as the proper basis for taxation upon value.

Witness.] No, it could never be tested. If you have a principle of valuation you must have a definite principle which can be tested. I also wish to read out the number of exceptions to the Land Acts: Grazing Farms, Town Parks, Residential Holdings, Home Farms, Future Tenancies; cases where there has been obvious deterioration by the tenant, and therefore, are excluded equitably from going into the Court, and where improvements have been made by the landlord. In addition to that there are a large number of cases of land held by owners and cases of land sold under the Land Purchase Acts by landlords to the tenants.

Mr. McCann.

823.* I am quite aware of that, but where the tenants can come in and get judicial rents fixed, they are the people to be taken into consideration, and my own opinion is that the judicial rent is the fairest test of value for taxable purposes?—That does not cover it. What must be taxed is the whole value, and of course "fair rent" does not include the occupation interest at all. Sir John Barton proposes to remedy that by a percentage upon the tenant right, but I point out that the sales of tenant right are comparatively few, that there are most unaccountable differences in the price given, as the Committee know under precisely similar circumstances, and I doubt very much, therefore, whether any system of percentages on tenant right would ever produce a fair result.

Sir John Colenso.

824. Is there not another objection; take the case of purchasing occupiers; that if you took their rent value that the effect of taking the fair rental

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Mr. SEYMOUR.

[Continued.]

Sir John Colomb—continued.

rental value all over agricultural Ireland would be this, that the purchasing occupier would have fixed a value, but those subject to the Land Court, would not?—You allude to the case where the tenant has purchased under the Land Purchase Act?

825. Yes?—I do not know how you would test the value in that case at all, and, of course, the rent he pays includes a sinking fund.

826. The other question is this: Sir John Barton says there is a consensus of opinion in Ireland that a re-valuation of the country for rate purposes is desirable. Do you agree with that?—I confess I have found no evidence of it whatever. If the valuation was above the judicial rent, the whole body of farmers in Ireland would be in arms,—it might be made a ground for increase of rent. If it was below they would agitate to have the rent on the reduced valuation.

827. Do you agree that there is a general consensus of opinion in Ireland at this moment that a re-valuation is desirable?—I think the great majority of the public bodies have not even considered the question at all.

Mr. Hemphill.

828. There is not?—I do not think so.

Sir John Colomb.

829. You have considerable detailed knowledge about railways; Sir John Barton tells us that "railways have remained at the same value in Ireland in some places for the last 30 or 40 years though the receipts have perhaps more than doubled in that time; but in the last few years I must say that has been rectified to a very large extent by the rating authorities"; do you agree with that general statement?—Not the first part, as to the big railways. The Great Northern Railway and the Great Southern have both been re-valued within a short period.

830. Have you any observation to make with regard to that?—I do not wish to speak officially upon railways. I daresay you will hear other witnesses. I only wish to make this observation, and it is supplementing what I said about re-valuation in towns. Whereas when houses are re-valued under the existing system, a percentage of about 28 per cent. on an average is taken off to reduce them to the low level of Griffiths' valuation, where railways have been re-valued, I believe that has not been so, and therefore whether the principle of valuing railways is right or wrong, there is not yet uniformity as between the valuation of railways and the existing valuation of towns, and it works an injustice in this way. Unquestionably the railways have greatly improved many towns and so you have an increase in the rateable value in a town due to the railway, and yet the houses in that town are reduced by their 28 per cent. and the railways remain at the full rateable value.

Chairman.

831. There would be no reduction of that 28 per cent. under the re-valuation in Belfast,

Chairman—continued.

that is to say under the County Borough re-valuation?—No, if the County Boroughs and the towns were re-valued, then the rate in the pound, presumably, if the valuation went up, the rate in the pound would be reduced, and then there would be no objection on that score to the railways remaining at their existing figure. I say there is a different principle applied to the re-valuation of a railway at this moment, and that has gone on for a long time, and, moreover, the high poundages are generally in those town districts, so that it pays a high poundage on a full valuation.

Mr. Hemphill.

832. It comes to very much the same thing?—No, because the valuation of the houses in the town are, on an average, reduced 28 per cent. I do not think I need say anything about the importance of having a central authority to value railways.

Mr. M'Cann.

833. Do you think the railways improve all the towns they serve?—They have improved many, I think.

Sir James Haslett.

834. Taking it generally, you would advocate a re-valuation in the county boroughs?—Yes.

835. And you say you think a proper basis for valuation is letting value?—Yes.

836. Would you take anything from that for keep or would you abolish entirely the portion of the clause of the Valuation Act, 1852, that gives the percentage for upkeep?—The clause in the Valuation Act, 1852, is practically the same (I mean the net annual value); the same as in England.

837. Let me understand. That is a very important matter. How do you propose to arrive at the net annual value. Suppose the rent is 60*l.* a year, or 50*l.* a year, what do you say would be the net value of that?—Probably that would vary in different properties. I think you must leave that to the discretion of the valuer within certain limits. It is obvious that, in the case of tenement property within the City of Dublin, you must make a much larger deduction for repairs and cost of collection than you would in a good house in a residential square; the rent is the case of the tenement house might be considerably over the value.

Chairman.

838. That is a difficulty, in the application, not in principle. As I understand what you mean by letting value is, you mean that the rack rent is the proper basis upon which to start as the gross value. Then, when you come to deductions, those are prescribed, or are not prescribed, by the Statute, and in the application to particular property you must leave it to the individual judgment?—You must leave that within certain limits to the discretion of the valuer.

Tuesday, 4th November 1902.

MEMBERS PRESENT:

The Lord Advocate.
Mr. Clancy.
Sir John Colymb.
Mr. Goulding.

Sir James Haslett.
Mr. Hemphill.
Mr. Lough.
Mr. McCann.

THE LORD ADVOCATE IN THE CHAIR.

Sir JOHN G. BARTON, C.B., re-called; and further Examined

Mr. Clancy.

839. I wish to ask you a few questions upon your direct examination. You were asked this question by the Lord Advocate, to which you assented: "When the valuer is occupied with a certain field which is capable of growing a certain crop he is directed to value, not upon the assumption that that crop will fetch the price of the day at which he is valuing, but that it will fetch the price which is shown in this schedule?"—That was the basis on which the valuation made by Griffiths was made.

840. It may be of importance, I think; are you prepared to say that that was the practice?—No; I can hardly give an opinion on what happened 30 or 40 years ago; before I came into the office; but it was the intention of the Act.

841. If the statement remained as it is in this evidence now, every one would assume, I think, that the law was carried out?—Yes. May I ask the number of the question you are questioning?

842. Questions 9 and 10. My suggestion is—(and I would like to know whether or not you agree with it)—that instead of acting in accordance with the direction of the Act, the valuation was raised according to prices as they rose; and so much was this the case that Sir Richard Griffith himself proposed to add a certain percentage to the valuation of the counties that were first valued in order to make the valuation relatively equal to that of the other counties?—I can only express an opinion as the valuation was not carried out under myself. I think you are correct. When the valuation commenced, Ireland was in a very depressed condition, and these prices, which were the then prices of produce, were acted on at the beginning of the valuation but as things improved and prices went up I think it more or less influenced the valuers.

843. So that in point of fact, from that point of view, the valuation of land would not be low at all?—In the South it is very low; in the North it is not so low.

844. Because a great part of Ireland was valued when the prices were high.—Yes.

845. Therefore, now that prices have fallen the valuation of that land must be higher than it

ought to be?—Well, I cannot say as to that. How far the valuers were influenced by the surrounding circumstances it would not be safe to base an opinion upon.

846. You say, in answer to Question 15, that your duty is confined to re-valuing the lists sent to you by the rating authorities?—That is so.

847. I do not think that was the case until recently?—That is the law; whether it was acted upon in a more liberal way or not I do not know.

848. Do you recollect the case of Switzer?—Yes.

849. Did not that decide that you were wrong in taking the initiative yourself?—Well, I do not think I would put it exactly in that way. What happened in Switzer's case was this: Switzer's shop is a very large one (it is a shop something like Whiteley's—that class of shop); only four numbers of the seven numbers that comprised the shop were put on the lists that were sent to me. I did not see that it was possible to divide those four numbers from the other three, and, therefore, I valued the whole shop. The Courts decided that I should have only valued the part of the shop comprised in the four numbers.

850. Does not that really come to what I said—that you took the initiative yourself; and what I ask you is: Did that often occur previous to that case?—I cannot tell you.

851. Is it abandoned now?—In a similar case I would, of course, follow the decision of the Court.

852. Will you after that decision take the initiative yourself in revising?—Certainly not.

853-4. You have taken credit to yourself (perhaps not unjustly) that there were very few appeals?—Yes; I stated the fact.

855. Do you think that that corresponds to the sense of satisfaction in the cases in which you have exercised your power of revising the valuation?—That is a question which you could give as good an opinion upon as I; I could only give an opinion.

856. Would the fewness of the appeals be accounted for by the fact that no express notice

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[Continued.]

Mr. Clancy—continued.

tice is served upon the person affected?—In a few cases, I think, it may. The reason I say that is that when a person finds out that his valuation has been raised, and he was not aware of it before, and had not, therefore, an opportunity of appealing, he does write to the rating authorities (and they forward the letter to me) complaining of the result, and saying that if he had had an opportunity of appealing he would have appealed. A certain number of those cases occur each year. In every case I write to the person and say that if he will put the case on the lists next year himself I will re-deal with it, so as to give him an opportunity of appealing next year.

857. Meanwhile, he has to pay the higher rates?—For one year—yes.

858. And do not you think it would be right that every person affected in this way with a liability for pecuniary payments, which, perhaps, he need not make eventually, should, like all other persons similarly affected, get express notice of the obligation imposed upon him?—Yes.

859. What sort of notice is given at present?—The notice that is given is this: When I send the list in to the rating authorities on the 1st March (that is the date fixed by Act of Parliament as the date they are all to be sent in), the rating authorities are obliged, under the Valuation Acts, to give public notice by posting a notice on police barracks, places of worship, and (I think) Courthouses, to say that the lists have been received and that they are open for public inspection for (I think it is) 15 days, and anyone aggrieved then they can go and appeal. I think it would be advisable that, in addition to that, a notice should be sent to each person by the rating authorities.

860. The present practice, I think, you will admit, undoubtedly leaves many men without knowledge of the fact that their valuation has been increased?—It leaves a proportion; I do not think I would say "very many," because when a valuation is made by me it means that my reviser goes to the farm or to the house and he sees the people who are in occupation; they, of course, ask him what he has come for; he makes measurements there, and they naturally know that they are going to be revalued, and, as a rule, they go to the offices of the County Council and see what change has been made; but there are some cases in which they do not.

861. At all events there are some?—Yes.

Chairman.

862. You propose, I suppose, that the notice should only be sent to the people that are altered?—Yes.

Mr. Clancy.

863. You are an advocate of the general re-valuation of Ireland?—I am.

864. And I think you have stated that most people in Ireland are in favour of that change?—I think the general feeling is in favour of it. I have never heard anyone express anything else.

865. Will you kindly give us the grounds for that opinion?—Do you mean the grounds on

Mr. Clancy—continued.

which they ask for re-valuation of the grounds on which I think it?

866. On which you think that they do?—Well, general conversation with people all over the country, and people who have come to me, and that I come in contact with in making re-valuations; they all complain that the present valuation is most unequal, and that everyone who is valued recently is paying more than his full share of the rates, because of the old valuations being unaltered and paying less.

867. Is not that complaint chiefly made with reference to the towns?—Yes, chiefly in regard to the towns—not altogether, but chiefly.

868. Chiefly?—Yes.

869. Can you now say whether or not any public expressions of opinion to the effect you have mentioned have been given by public bodies, representative, or other?—Applications for revision have been made, I think.

870. That is a different thing?—For re-valuation.

871. I was asking you about your own opinion—that opinion in Ireland is in favour of a general re-valuation of Ireland?—Yes.

872. I ask you, has any public body, to your knowledge, ever asked for such a thing?—Public bodies have asked for re-valuation of the particular districts that they are interested in.

873. But none of them, as I understand, has asked to have a general re-valuation of Ireland?—I do not recollect any expression of that kind. I know that Grand Juries have asked for a re-valuation of counties, and that County Councils have asked for a re-valuation of boroughs, but I do not know that anyone has asked for a general re-valuation of Ireland.

874. And with reference to the County Councils that asked for re-valuation of their counties, I presume you are referring to Dublin and Belfast?—And Derry.

875. Simply boroughs?—I think there were several Grand Juries petitioned the Lord Lieutenant in favour of re-valuation of the counties.

876. Would I be wrong in saying that, if the inequalities that exist in the great or large towns were removed, the most urgent part of the case—or the urgent need of the case—for re-valuation would disappear?—The most urgent, but not altogether.

877. The greater part?—The most urgent—yes.

878. And the greatest part?—I should not like to say that.

879. The greater part of the case for re-valuation would disappear?—A certain portion of it—yes.

880. Will you tell us what is the difficulty under the present law of removing those inequalities. You know the district of Gloucester Street, do not you?—Gloucester Street?

881. Gloucester Street—I am just taking an example?—Yes.

882. That was formerly a good neighbourhood, but has now gone down, and become a series of tenement houses?—Yes.

883. On the other hand, do you know the district of Dennybrook?—Yes.

884. Do you know Morehampton Road there?—Yes.

885. That

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[Continued.]

Mr. Clancy—continued.

885. That is a fashionable neighbourhood?—Yes.

886. Is there any difficulty in adjusting the valuations of these two without any change in the law?—Not any difficulty in adjusting the valuations of particular houses in the two, but there is a difficulty in adjusting the valuations of the whole rating areas.

887. I know; but if you take all the houses one after another, you will eventually get into the area?—You will; and then you will have made a re-valuation.

888. You will have made a re-valuation; and you can do that under the present law?—Well, I am not a sufficient lawyer to say that.

889. Oh, I think you know a good deal of the law relating to this matter; and have not you acted upon that principle in Dublin?—Oh, no.

890. No?—Oh, no. I have not made a re-valuation of any part of Dublin.

891. But you think you could?—I think a re-valuation could be made of Dublin, certainly.

892. And have not you done so in Belfast?—I have made a re-valuation in Belfast; it is not completed, but it is in progress.

893. And without any change of the law. You have made some very important suggestions as to the principles upon which valuations of land and buildings are to be henceforward conducted?—Suggested—yes.

894. I think you have taken what you call letting value as the principle of valuation?—Yes.

895. Now, what do you mean by "letting value"?—I mean the value that the premises will bring, one year with another, in the market, the occupier in existence being taken as one of these who is a bidder for it, the tenant doing the repairs and paying the taxes.

896. But you must assume the letting value?—Yes.

897. And land in Ireland, considering that rents are fixed by Statute, has no actual letting value?—I do not quite understand your question.

898. Rents in Ireland of agricultural land being fixed by the Court, I say land has no actual letting value?—Surely, if that land is in the landlord's hands it has a letting value.

899. I think you will admit that what I am saying is correct—that there is no actual letting value; you must make an estimate; and I want to know, there being no rents—

Chairman.] I think, Mr. Clancy, if I may say so for a moment, what Sir John does not wish to say is this—he does not wish to tie himself down to making an admission to you that there is no actual letting value, because that is rather a philosophical expression. Of course, he would admit to you in one moment that in the case of land (which is under the Land Courts) there is no test afforded by open competition.

Witness.] That is so.

Mr. Clancy.

900-1. That is what I meant. That, therefore, leaves open the fact that you have to make an estimate upon certain assumptions?—Yes.

902. Will you tell us now the assumptions

Mr. Clancy—continued.

upon which you would estimate the letting value?—Just on this point, I think, perhaps I had better hand in those documents that on my last examination I was asked for. (*The documents were handed in Vide Appendix.*)

903. This is the "pink schedule"?—I was asked to provide the pink schedule. What I did was this: I asked the Land Commission to fill me up four from each province (that is 16) of these pink schedules; they are filled up from individual specimen cases. The only thing that is left out is the name, so that they are not to be identified. I would hand these round; and that would perhaps explain the point you are getting at now.

904. You need not hand them to me?—The Chairman, I think, wanted to see them.

905. I think you are taking the letting value to be the gross value set down in this pink schedule?—Yes.

906. And do you think that would be fair?—I think it would on the whole.

907. Do you think it would be reliable?—It is accepted by the Government as reliable. It is the rent as fixed by the Government.

908. I do not understand that?—This gross value, is that rent?

909. It is a figure arrived at by three gentlemen sitting judicially as a Court?—Yes.

910. That is what you mean?—Yes.

911. Now you know that these land cases are not all heard at the same time in a district?—No.

912. Do you know that in some cases these rents are made at intervals of years?—Yes.

913. And that they are made by different persons?—Yes.

914. Different sets of Commissioners?—Yes.

915. And under different circumstances?—I do not know as to "different circumstances."

916. You know if there is a lapse of time, if there is an interval of years, between the fixing of the rents in one part of the district and the fixing of rents in another part of the district there must be a change of circumstances?—There may be.

917. Then do you say that this figure, which you take as a fair and reliable test of letting value, a figure which is not made by the same persons, not made at the same times, and made under different circumstances, is a fair test? How can that be fair?—Any valuation must be subject to exactly the same conditions. You cannot say the whole of Ireland would be valued by one man in one year.

918. Do you think the Land Commissioners, who are not guided by such statutory directions as these which you now give to the valuers from your office, would act in the same way as you do?—That I cannot express an opinion about.

919. You know there is a very wide discretion given to the Commissioners who administer the Land Acts?—I have heard that—yes.

920. And you are bound down by statute to certain principles?—Are not they bound down by statute to principles too?

921. They are not bound down, are they, to figures?—I do not think I am bound down in making a re-valuation more than they are.

922. With

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[Continued.]

Mr. Clancy—continued.

922. Will you say how—in valuing land?—I think the general principles on which land is to be valued (the letting value) are fixed both in the case of the Land Commission and in the case of the valuations.

923. Let me give you one illustration, where I think you will see you are not quite correct: You are bound, at least your predecessor was, when he was making a valuation of land, by a scale of prices?—Yes.

924. There is no such scale in the Court of the Land Commissioners?—No.

925. Therefore, you see that they are really more bound than you are; and would you then say that land valued by men taking varying views—not bound in this strict way—and valuing at different intervals of time would really be a reliable test of letting value?—When you asked me the former question, I thought it referred to a re-valuation made on the principles I have laid down. I quite agree with you that Sir Richard Griffith's valuers were more bound (because they had a scale of prices) than the Land Commissioners.

926. Though you now take the gross letting value as found by the pink schedule of the Land Commissioners as a test of letting value, I do not think that was your opinion always?—Not quite.

927. You were examined, I think, before the Financial Relations Commission?—I was.

928. And you took there, I think, a different estimate?—I took a more extended test.

929. Am I right in saying that you took the rents actually fixed by the Land Commission with a percentage addition on the selling value of the farms?—Yes.

930. That is a totally different estimate?—It is a more extended one.

931. I do not understand that?—That is to say that what I then proposed included what I now propose, with something additional.

932. You do not mean to say that the rent fixed is the same as the gross value?—The gross value is the rent fixed, plus the interest on the tenant's improvements.

933. I think what you said in your second last answer was that what you propose now is the same as what you proposed then, except that you proposed to add in the former case a percentage on the selling value of the farms?—At that time I proposed to add, in addition to the interest on the tenant's improvement, a something for what is called "tenant right" in Ireland.

934. And you consider that taking gross value is the same thing?—No, I do not.

935. Then you do not propose, of course, the same?—I have altered my views slightly in regard to that subject; I will give you the reasons if you like.

936. Now supposing that you take the gross value—or if the gross value was taken as a test—I suppose you would take a farm, and the same price per acre would be put upon all the remaining farms, as the Land Commissioners have done?—As far as I could do so.

937. When the valuer, therefore, would come to the remaining farms he would have

Mr. Clancy—continued.

to go round them all?—He would have to go round every farm.

938. Instead of valuing one farm you would have to go to every farm in the district?—In any case we have to do that.

939. Under Griffith's valuation?—No; under the valuation I propose in every case we have to go round to every farm.

940. I am contrasting your proposed system with Griffith's system?—Yes.

941. I suggest to you that you would have to take twice as large a staff or occupy twice as long a time?—That is not my opinion.

942. I am just putting this case to you: You take the gross value figure on a particular farm?—Yes.

943. Then you would have to go round, not that farm alone, but every farm in the district and find out what class of land it was and what figure was put upon it?—If I were making a re-valuation of Ireland without this pink schedule I would have to go to every farm—I would have to correct the boundaries of every farm, and would have to value every field on every farm.

944. How long do you think that would take?—It took Sir Richard Griffith over 30 years.

945. And how long do you think it would take you?—It entirely depends upon the staff that I could get together.

946. With your present staff?—If the annual revision was given up for a certain number of years (and I do not think that is feasible), it would take my present staff about 10 years to do it.

947. Is that a much larger staff than Sir Richard Griffith had; it must be?—Oh, no, I do not think it is; but Sir Richard Griffith carried on an annual revision at the same time that he carried on the valuation.

948. Would you dispense with the annual revision?—No, I would not.

949. It would go on simultaneously?—It would have to go on; therefore, I would have to get a staff outside my present staff.

950. You would have to double—and treble—your staff?—I would have to double my staff at least.

951. When do you expect then your valuation would come into operation?—Well, presuming I was able to get the staff together, and that I was able to start the work with a trained staff, I should say we could do it in ten years.

952. Just a word or two more about letting values: You now would discard a scale of prices as a thing of the past; you would not have a scale of prices in your new system?—No, I would not; no.

953. But, after all, does it not strike you that a scale of prices is in the contemplation of everybody when they talk of the value of land in Ireland. You are aware, of course, that the landlords say that the fall in prices does not at all justify the reductions that have been made in rents; on the other hand, I am sure you have often heard it said by the tenants, or on their behalf, that the prices are so low that the rents ought to be still further reduced?—Yes.

954. Does not all that show to your mind that both parties in Ireland really have at the back of

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[Continued.]

Mr. Clancy—continued.

of their minds in the matter a scale of prices?—I have no doubt a scale of prices always influences the value of land.

955. But you would not have one yourself?—Oh, yes, you must have in your mind a scale of prices; you must form the valuation upon that; but what I say is this—that instead of taking as the basis of all the valuations a scale of prices, I would take the Government valuation, as already fixed, as my basis.

Mr. Hemphill.

956. There is no "Government valuation" already fixed—that is a mistake?—I beg your pardon—I should have said, the fair rent.

Mr. Clancy.

957. You are talking of the Land Commissioners' rent?—Yes, the "fair rent"; I should have said the "fair rent."

958. Of course, you are aware that, in theory at all events, the Land Commission is not a Department of the Government?—That I cannot express any opinion upon.

959. They are supposed to act independently and not as part of the Executive; they are a Court acting judicially?—That is so.

960. Now I want to ask you a few questions about some particular points. One of your tests of the letting value of land would be the cost of construction of the farmer's buildings—I think you have mentioned something like 3 per cent. on the cost of construction of the farmer's buildings as the right letting value of those buildings?—I do not think you can take any fixed percentage; it depends entirely upon the farm, and whether the buildings are suitable for the farm. Some of the houses occupied by farmers in Ireland are mansions; the valuation that we put upon those mansions is, I suppose, about a quarter per cent.

961. Am I wrong in thinking that you did, in some former evidence you gave, lay down that 3 per cent. on the cost of construction of the farmer's buildings would indicate the letting value of those buildings?—I think that is fair—that where a farmer builds a house on the farm, or where there are houses on the farm suitable for the farm, 3 per cent. would be about a fair percentage to arrive at for the letting value of that house.

962. That would apply to all the buildings in the same district?—Presuming that they were all suitable for the farms.

963. It would apply to a district which included a Union, which included a remote mountainous district and land near a town?—Yes.

964. Do you think it would be fair to value the farmer's buildings in a remote mountainous district on the same scale as a farmer's buildings near a town?—I do not think there should be very much difference between them, because they are only valued as farmer's residences, suitable for the farm he lives on; they are not valued as residences in which there would be a market competition, such as for town houses.

965. Let us get at our assumptions. I may be wrong, but I am assuming that you would lay down the rule for the whole of a particular district, which included small buildings in remote

Mr. Clancy—continued.

places and other buildings of a different kind in a place near a town, and that you would estimate the 3 per cent. on the cost of construction as representing the fair letting value of all those buildings. Do you do that?—No.

Chairman.

966. The question I put to you upon this was whether what you suggest about that calculation of 3 per cent. that you had, in some evidence before given, was 3 per cent. upon the value of the buildings, which you assumed to be buildings suitable for the particular farm?—That is so. I may mention that we had a case the other day on this very point. There was a case near Enniskillen, in which the house was very much larger than was necessary for the farm. I would in that case have valued the house at 3 per cent. on what I considered the proper buildings for that farm would be; but in that particular case there happened to be a residential interest in the house; it was near a town, and it had been let in the summer once or twice—in fact nearly every year—to people who came down there for the summer months; therefore, in addition to the 3 per cent. on what the building as a farm building would be, I added something for its residential character.

Mr. Clancy.

967. I think even with the addition of the explanation suggested by the Lord Advocate and, I suppose, adopted by yourself, it comes to the same thing. The buildings on a small, remote, little, farm will be suitable to the holding even though they are small?—If they are suitable to the holding, I should allow this.

968. Is it correct, or is it not, that you would still value those small buildings in the same way as you would value other buildings of a different character in the same district?—If the other buildings of a different character were suitable for the farm on which they were situated.

969. The same thing. Now 3 per cent. on the cost of construction seems to me to be high. Is there any other investment of capital open to a farmer in Ireland that brings as much? What does he get in the banks?—I should say he ought to be able to get 3 per cent. for his money.

970. Three per cent. in the banks?—I do not say "in the banks"; but he ought to be able to get 3 per cent. for his money.

971. Where?—If he invested it in railway debentures I think he would get 3 per cent.

972. A farmer cannot buy a hundred pounds debenture, can he?—Well, he may not be able to; but I should say there are a great many investments now which would command 3 per cent.

973. Is it not a fact that the Post Office Savings Bank and the ordinary banks are the usual depositories of the farmers' money?—A good deal is deposited there.

974. Is it not a fact that the rate of interest there is 1 to 1½ per cent. interest only?—That is on deposit.

975. That is on deposit—yes. Is not that all he can get?—Oh, no.

976. But

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976. But is it not a matter of notoriety—that that is all he can get on deposit?—On deposit—yes.

977. On deposit and in the Post Office Savings Bank?—On deposit—yes.

978. Now you double that rate of interest; you put 3 per cent. What is the rate of interest in the ordinary bank on deposit?—Really I cannot give you that information; I am not sure, I think it varies, does it not?

979. And in the Post Office, what is it?—I am not sure what it is at present, really.

980. At all events, it seems to be much less than you would put upon the cost of construction of the farmers' buildings?—Certainly.

981. Is not that so?—The deposits—yes.

982. Now I want to ask you a few questions about the "reduction" you spoke of. Will you explain to the Committee, please, what that means?—Yes. At present the valuation of houses in most of the towns (I think I may say in all the towns) in Ireland is considerably below the statutory valuation as laid down in the Act. When I value a new house in any district, in order to make the valuation relative to the other rateable hereditaments in that district, I deduct from the statutory valuation a certain percentage so as to make it relative to the general valuation of the district.

983. Now is that figure a fixed figure for all Ireland or does it vary for different districts?—It varies in every district.

984. It varies in every district?—Yes.

985. Now I put it to you that that is unfair. Ought there not to be a figure for each holding that is valued?—Why?

986. Are not you dealing in each case with different circumstances, and therefore why should you apply to a whole number of the cases one rule?—I first fix the statutory valuation of that particular holding; in fixing the statutory valuation I deal with the circumstances.

987. Deduction you mean?—No, I fix a statutory valuation of the particular holding.

Mr. Hemphill.

988. Are you speaking of land or houses?—Houses or any other rateable hereditaments that I have to deal with. I fix a statutory valuation, and in fixing that statutory valuation I take into account the different circumstances which I think Mr. Clancy refers to in asking the question; those are all dealt with before I arrive at the statutory valuation; then, having fixed the statutory valuation, I make all deductions from that to bring it down to the level of the other rateable hereditaments in the district, so that the person whose valuation I have made shall not be paying more than his proportion of the rates.

Mr. Clancy.

989. I quite understand that; that is very clear; but I am on another point: You have fixed, as a deduction to make it relative, a figure for each district?—Yes.

990. And I suggest to you the circumstances of each particular case being different, that the figure ought not to be fixed for a particular

Mr. Clancy—continued.

district, but for each case?—To bring the valuation of the particular case—to make it relative to all the other holdings in the district—it is necessary; they all have to pay the same taxes.

991. Why is there such a variation; I think it is in some places 10 per cent, and in other places as high as 25?—Yes; 33 I think it goes to in some places in the south.

992. How do you arrive at that figure?—I arrive at it in this way: I examined a very large number of cases in which valuations had been made within some 10 years before I arrived at that figure; I also got each valuer who had been employed in the district to write down for me from his experience what he considered the valuation of that particular district was below the statutory value; I had those figures before me, and having them all before me, I fixed a certain percentage to be taken off. I may say that that percentage has a certain amount of elasticity; it is generally five per cent, or from 20 to 25, or 10 to 15.

993. When did you begin this system?—I may say almost immediately after I had mastered my work at the Valuation Office.

994. When were you appointed?—Ten years ago.

995. How soon after that did you begin?—A year or two; about a couple of years.

996. In the first place, do you know whether you had any statutory authority for that new departure?—I consider I have.

997. Where do you find it?—In the Valuation Acts. In Section 20 of 15 & 16 Vic., "the Commissioner of Valuation shall have power to alter and amend the valuation or statement of the area of the tenement or rateable hereditament so appealed against, and also to alter and amend the valuation or statement of the area of any other tenement or hereditament against which there shall have been no appeal, but which may appear to him to be similarly circumstanced with those respecting which appeals have been made, in order to render the valuation of every tenement or hereditament comprised in such list proportionate and uniform." I think that that last sentence gives me the power; and apparently the Courts have considered that I have it, for in all the appeals I have had to deal with it has never been questioned, and the decisions of the different Courts have always borne that out; they may have reduced the valuations but they have never questioned that as a right deduction.

998. I put it to you that the result of that is to raise the valuation as a whole?—Why?

999. Do you see, when you make that deduction, that the particular valuation is not 10 per cent. above the other valuations in the district. I suggest that that is not what you say but that your experience of the valuation of the union is 10 per cent. too low?—It is 10 per cent. below the statutory value; therefore I reduce the other valuation to make it relative to the whole.

1000. You have arrived at this figure with regard to the reduction to make it relative after examination. For each district in Ireland was not that a very large task to do in three years?—I think I explained that it was from the examination

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examination of my valuers who had been employed in these districts for a great number of years—most of them for 10 or 15 years—and their experience of 10, 15, and some of them 20 years before, was what I utilised for arriving at that percentage.

Chairman.

1001. I suppose whether you got it right or whether you got it wrong the view was that you wanted to find a figure, and a percentage, by which the general average of valuation was underneath what would be the pure statutory valuation in each district?—Yes—that each new valuation should be the same amount under.

1002. Then you take for calculation the same amount under each?—Yes.

1003. And in getting your percentage figure that represented that sum by which the average of the whole district was beneath what the pure statutory valuation would be if it had been made on that day?—Exactly so.

Mr. Hemphill.

1004. I want to understand, so as to follow Mr. Clancy's examination. Do I understand that you have this percentage fixed in every district in Ireland? It varies from 10 to 33?—Yes; it varies from 5 to 33.

1005. I thought you said 10, but I will take 5?—Yes.

1006. Is that recorded in the Valuation Office—I mean is there a record kept?—Yes; there is a record kept, and in the note books. These are our note books. I have one or two specimens here. Those note books are the valuer's field books for each district, and in the first page he records the statutory reduction.

1007. What do you call the "district"; do you call it a townland or what?—A district is a rating area.

1008. What do you mean by a rating area?—Well, a county borough would be a rating area; the county would be a rating area.

1009. Would a county or a union be?—The union is really, because until the passing of the Local Government Act the union was the rating area, and I have maintained it still for that purpose.

1010. Do I understand that for every union in Ireland there is a fixed percentage to enable you to have this relative deduction?—That is so.

1011. And that that cannot be varied, or is never varied, in fact?—Except in exceptional circumstances; there must be exceptional circumstances, which I will explain afterwards if you like; I will mention these now if you like; there are exceptional circumstances.

Mr. Clancy.

1012. I gather, from the fact that it exists in every union in Ireland, that in your opinion letting values have gone up all over Ireland; it must mean that?—Either that, or that the valuation was too low before.

1013. It comes to the same thing, I think?—Yes, as regards the deduction to make relative.

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Chairman.

1014. It is not the same thing really, is it?—Not quite.

Mr. Clancy.

1015. Take a district, Derrydoon. Does it not really mean that the valuation of a place situated amongst the mountains 12 miles from a city should be the same as if the house were situated close to the city and surrounded by good land?—I have just explained what it is when close to a city.

1016. In making the deduction you make the two on the same basis; I suggest that you are valuing the two sets of lands in precisely the same way?—No.

Mr. Hemphill.

1017. Will you give a concrete case now, and that will show us what you mean. Take a farm?—Am I to deal now with the question of land or houses?

Mr. Clancy.

1018. When making the deduction, to make it relative as you say, you're deducting, as I understand, from the land near the town so much to make it relative with the houses away from the town?—I do not alter the value of the land at all.

1019. Buildings I ought to say?—Buildings?

1020. I suggest to you, now, that that is really valuing the two sets of buildings situate in different places—one a remote and mountainous district, the other near a city surrounded by good land—on precisely the same basis?—No, I do not think it is so.

1021. Will you explain how it is not?—I will explain exactly. A house on a farm near the city would be valued (say) at 5*l*., that is the statutory value; the house on the farm up in the mountains would probably be valued at 5*s*.; in both cases those people have to pay exactly the same percentage of local rates, the one man on the 5*l*. the other man on the 5*s*. Say that 20 per cent. is the reduction; I would make the cost in the one case 4*l*., the valuation near a city; in the other case I would make it 4*s*.

1022. If you do not reduce the proportion I do not understand what the effect of the deduction to make it relative would be at all then. I think what you said the meaning of the reduction to make it relative was that one tenement was too highly valued, and, in order to make it relatively near in valuation to the other, you took off a certain percentage. I do not want to pursue the question. Perhaps I have asked enough on that point. There was a certain code of rules drawn up after the passing of the Valuation Act of 1852; and I think you have dispensed with some of those and set up new ones for yourself, have not you?—The instructions you refer to I presume are those that were given by Sir Richard Griffith for the work of the valuation.

1023. Yes?—Yes.

1024. You no longer follow these?—These are instructions for the making of the original valuation, I follow them to a certain extent, but there are certain ones that are not applicable at present.

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1025. What

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Mr. Hemphill.

1025. What is the date of those rules?—1853 is the date.

Mr. Clancy.

1026. Do you consider you have statutory authority to frame rules?—Yes.

1027. Where do you find that?—The statutory authority was originally given under a section of the Act under which Sir Richard Griffith was obliged to submit those rules to the Lord Lieutenant before using them. That clause was repealed; therefore it is not necessary for me to submit my office rules to the Lord Lieutenant; I merely keep inside the four corners of the Valuation Acts.

1028. And do you think you can make any rules you like?—So long as the Valuation Acts are carried out I believe I have perfect authority to make rules.

1029. You are the judge yourself of whether they are carried out. I ask as a matter of fact. Do you consider yourself free to alter the instructions and rules issued by Sir Richard Griffith?—I do not think I have altered any of them that I know of.

1030. But you have dispensed with some of them and framed new ones yourself?—I do not know that I have dispensed with any of them; I do not know of any particular rule.

1031. I thought you said you did?—I said there were some rules in Sir Richard Griffith's code which were good for the original valuations, but which do not exactly apply now. That is all I said.

1032. There is a small matter about costs I would like to ask a question about: what is the practice in the courts in the case of appeal against your decision; do they give the costs to successful applicants?—Sometimes, and sometimes they do not.

1033. Do not you consider that the Department ought to bear the costs if they are beaten, like every other unsuccessful litigant?—That is a matter for the Court.

1034. I will take your own opinion about it?—I am afraid I am not competent to give one at present.

Mr. Hemphill.

1035. Have the Courts ever given costs against them in any appeals, do you recollect?—Yes, I think so.

Mr. Clancy.

1036. May I ask how your staff is recruited at present?—By examination and experience. It is necessary for a man going into my office as a valuer to have had two years' experience in a surveyor's or valuer's or architect's office, and then after that he must pass a civil service examination.

1037. Is it by competitive examination?—By competitive examination.

1038. I am not talking now of the clerks in your office?—No, neither am I.

1039. I am talking of the field surveyors?—Yes.

1040. Do you say that the persons now actually in office are appointed as the result of competitive examination?—Since, I think, the

Mr. Clancy—continued.

last six years they are; before that men were brought in (one or two) from the clerical staff, and some from the Ordnance Department. That was before I was appointed.

1041. Do you mean that all the persons now employed by you have been appointed as the result of competitive examination?—Not all. There are at present, I think, two temporary men who are merely come on for the revision, to take the place of two men that were employed in other work. Those are only temporary officers.

1042. Did not you get the power actually of nominating people?—I have the power to nominate in the first instance—yes; and I nominated, I think, two of those who are now employed; but they had to be examined.

1043. It was a qualifying examination; it was not an open one?—It was not an open examination in so far as there were to be, I think, three nominations for each appointment, and they were to compete against each other.

1044. And you nominated them?—I nominated them—yes. I nominated six, as well as I remember, and two of them were appointed.

1045. Before we pass from that, would it not be better to have an open competition with an advertisement in the papers inviting all and sundry to come and be examined who have the necessary qualifications?—I think that is the way it is now.

1046. I thought you said the contrary?—That was for a short time; but I think now you will find (I am not, however, certain the way it stands at present) that anyone who has got the necessary qualification of two years in an engineer's office is competent.

1047. Nomination is no longer necessary?—I am not absolutely sure about that.

1048. As a matter of fact as regards the past, have not you nominated all the persons who have passed by examination?—Oh, no, I think I have only nominated altogether six men for one examination, of which number two got in, but that is all. I know I was very anxious to get rid of nomination without examination, and it was only done upon a particular emergency.

1049. I thought you were for it yourself?—No; I preferred that they should have had previous experience in other offices.

1050. Where did you look for these men?—I wrote to leading engineers and architects in Ireland; I wrote to the Royal University and Trinity College Professors of Engineering, I wrote to the Surveyors' Institute in England, and one or two leading surveyors in England, and I think I wrote to leading surveyors in Scotland and asked them.

1051. Did you write to the Irish Surveyors' Institute?—The Irish Surveyors' Institute is a branch of the English one; and the Irish Surveyors' Institute consists altogether of head agents, so I knew I could not get many from them.

1052. How many Englishmen are employed upon your staff?—I really could not tell you; there are a few.

1053. Is it not a fact that four out of the last nine are English?—I really could not tell you.

1054. You

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[Continued.]

Mr. Clancy—continued.

1054. You have no idea?—I do not know, but I could find out for you with the greatest ease.

1055. You would not know even from their accents or their names?—I think it is quite possible.

1056. Do you think that is a desirable thing—that Englishman should be engaged in this operation of valuing Irish land?—They are not engaged in valuing Irish land, only houses.

1057. Only houses or buildings?—I think the most competent men are the men I wish to get, whether English, Irish, Scotch, or wherever they come from.

1058. Let us test that a little bit?—An Englishman is accustomed to, I think, different conditions, the prices of materials, something to say about the matter of conditions of labour, the wages to be paid, the amount of work that men can do, and so on; all that I think is different in England and in Ireland, is it not?—It is to some extent.

1059. Do you think that a person engaged in England all his life, accustomed to one set of circumstances, is competent all at once to engage in the operation of valuation in Ireland where the conditions are entirely different?—Certainly not.

1059*. Therefore I suggest that these four appointments are bad appointments?—No.

1060. Therefore I suggest that these four ap-
names even, but on general principles?—What happens in this, these men have to have served a number of years in an engineer's or architect's office; in that office they learn a certain amount as to prices, and they learn to survey, and they learn how to measure up buildings, and, to a certain extent, to value land; they come over to me; they have to pass my examination, that examination is the same for English, Irish, Scotch—no matter who they are—they come over to me; they are then trained for a year or two years (depending upon whether they are sharp or not) by senior men in my office; until they have been trained and know thoroughly all the Irish prices, and are approved by myself or my head men, they are not put to do any valuing in the field.

1062. Now about their experience. You say they were taken out of a surveyor's office, and you have taken care, by insisting that they shall show that they have had two years in a surveyor's office, that they shall have some acquaintance with the nature of the duties they are expected to discharge?—Yes.

1063. May it not happen—or has it not happened—that these gentlemen are not actually engaged in the work of surveying land at all, but clerks?—They cannot be clerks.

1064. They can be in a surveyor's office?—They must be apprenticed to a surveyor.

1065. Is that necessary?—That is necessary.

1066. You say, not only shall they have been two years in a surveyor's office, but must have been articled as a surveyor?—I am sorry that I have not their examination papers with me, which would show you that not only must a candidate have been two years in such an office, but that he must have had an experience in doing this class of work; and he has to have a letter

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Mr. Clancy—continued.

from the person he has been articled to to say the class of work he has been doing, and whether it is the particular class of work we require him to do or not.

1067. For instance, if you found that a person had been nothing more than a clerk, you would not appoint him, would you?—He would not be competent to go in for the examination. The Civil Service Commissioners take care of that.

1068. He would be prevented from going in by the conditions you lay down?—No, I have not laid them down; the Civil Service Commissioners have laid them down.

1069. They have laid them down?—They have laid them down.

Mr. Hemphill.

1070. It is not necessary that he should have served his whole time in a surveyor's office, I understand—two years is all that is necessary?—Two years' experience—yes.

Mr. Clancy.

1071. Do you think it is likely that the best men in a surveyor's office would go to you?—I do not know that they would; I would like to get them.

1072. But would it not stand to reason that a valuable man in a surveyor's office would be induced by his employer to remain, and that it is the other sort of gentleman that would be induced to go?—Well, I suppose there is always a difficulty in getting the best men. Examination is the only way of ascertaining that.

1073. It comes round to this: Do you for the future admit that it would be better to have an open competitive examination, and let the best man win, laying down, of course, certain preliminary conditions and qualifications?—Generally speaking, I think so; it may be necessary to have a nomination in some cases.

1074. Do not you think further that it would be better in valuing Irish land for Irish people that Irishmen should be employed?—If they have got the experience and the knowledge—yes.

1075. You think they would be more likely to possess the necessary qualifications, and to be better understood and more trusted?—I regret to say that in Ireland we have so few surveyors that they are not able to get that experience, except to a very limited extent, in Ireland now.

1076. How are they paid?—By salary.

1077. What is the salary?—The salary begins with 150*l.* a year; and they have night allowances when they are out in the country.

Mr. Hemphill.

1078. What is the maximum?—They go up to 450*l.*

Mr. Clancy.

1079. You have reason enough, I think, to remember the re-valuation of Belfast?—I remember it quite well—yes.

1080. You had a good many employed at Belfast, I think?—I had.

1081. Some 20?—I do not remember the exact number—yes, something like that.

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1082. Do

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[Continued.]

Mr. Clancy—continued.

1082. Do you send the same man to the same district from time to time?—Generally speaking—yes.

1083. Is it a rule or an exception that the same men go to the same district?—It is the rule.

1084. With a great many exceptions?—Not so many exceptions.

1085. Why would not you keep the same men in the same district? Would it not be a great advantage?—It is; and I do so as far as I can, but certain circumstances sometimes occur which make it advisable not to do so.

1086. I just want to ask you one or two more questions about these cases of licenses. You profess, I think, to value the Irish public-houses on the same basis as the English. That is what you contend ought to be done?—In the re-valuation of Ireland I contend that should be done.

1087. That, I suppose, presupposes that the conditions in England and Ireland are the same?—So far as the conditions are the same, I would re-value them on the same basis.

1088. But only so far?—Practically.

1089. I think you know, as regards the public-house owner in England, that the public-house, generally speaking, is a tied house. Is not that so?—There are a great number of them.

1090. That is that the real owner of the public-house—the man who gets all the profits practically—is the brewer or the distiller who really owns it?—Yes.

1091. And in Ireland that is not the case?—No.

1092. Then is not there a complete difference in the conditions. In England you get hold of a man who gets the profits of the publican and the brewer together; in Ireland you get a man who pays a large sum for the interest in his house—amounting to thousands of pounds in the large cities—and who only makes the publican's profit—why should you tax the two on the same basis?—I do not do so. I propose to value the houses in Ireland on the same basis as houses which are not tied houses are valued in England.

1093. Would you continue the old valuation in the case of houses that are not tied?—I said exactly the opposite—that I would value in Ireland the licensed houses on the same basis as licensed houses in England are valued where they are not tied.

Chairman.

1094. On the same basis as where they are not tied, and as the licensed houses in Scotland, where there are no tied houses?—Yes.

Mr. Clancy.

1095. Perhaps I may be stupid, but I have not caught it yet. You would value tied houses in Ireland as they are valued in England?—There are practically no tied houses in Ireland.

1096. That is what I suggest to you?—Yes.

1097. They are practically all tied houses in England?—No; I do not say that they are all tied houses in England; there is a proportion of them tied.

Mr. Clancy—continued.

1098. Is not the majority of them tied?—I could not say.

1099. At all events, you would not value the untied houses in the same way as you value a tied house in England, would you?—I would not value the untied house in the same way as I should value a tied house—no.

1100. Have you taken into account the fact that all publicans pay a license duty?—Yes.

1101. And that that license duty is payable on the valuation?—Yes.

1102. Do not you think that that ought to be taken into account in coming at the letting value?—Certainly.

1103. And have you taken it into account in Belfast?—I propose to take it into account in Belfast.

1104. You propose to take it?—Yes, I have taken it to some extent, and propose to take it a little fuller.

1105. Although you have increased the valuation in some cases fourfold?—The valuations are very largely increased, but it is not the license that has increased them so largely.

1106. What is it?—The public-houses in Belfast are valued on an average, I should say 30 to 50 (perhaps more) per cent. below their value as shops. The fact is that at present the ratepayers in Belfast generally are paying a large proportion of the publicans' rates for them.

1107. Of course, if your valuation is correct that is so, but I am suggesting to you that you are valuing them too high. Now, in the figures you have given, is there any means of knowing what you have put for the license and what for the house?—I can give you generally the total.

1108. That is not what I mean—I do not want the totals, because I have them; but I should like, if the Committee would allow it, some cases to be put in of cases of valuation. What I am asking now is this: In the figures which you give as the result of your re-valuation, is there any means of discriminating between what you put on because of the license and what you put on on the house?—Not in the figures as they are lodged with the rating authorities.

1109. Have you refused to give information upon the point?—I do not know that I have actually refused, but I would refuse.

1110. Why?—Because the whole of this question is now *sub judice*.

1111. I do not mean that—before it became *sub judice*—before it was taken into the Courts at all?—It became *sub judice* the moment my Valuation Lists were issued—that is to say, that the first appeal is to me—I am the Judge in the first Appeal; and every public-house in Belfast I may say (with few exceptions) has appealed. Till I have given my decision, I refuse to give any particulars of the details of the valuations. The moment I have given my decision in those cases, anyone who chooses to go further can have the fullest details; until then I refuse to enter into any one of those cases.

1112. You are now willing to give information showing what you have put on because of the license?

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[Continued.]

Mr. Clancy—continued.

license, and what you have put on on the house?—I am willing to give the general principles, but I must—with all due deference to the Chairman—refuse to go into any particular case, which is at present before me, as a judge.

1113. I am not asking you to go into any particular case, but if the ligant comes to you for the purpose of arguing his case in Court—such a case as we were hearing yesterday in Dublin in the Tramway Appeal—would you or would you not give him details, showing what was put on because of the license?—I will certainly give him details if he asks for them.

Mr. Hemphill.

1114. Before I go to the one or two questions that I want to ask you with regard to these licenses, without mentioning any names, would you put a case? Supposing you are valuing an ordinary public-house in Belfast, on what principle do you ascertain the value of that?—In this way—the house is first valued as a shop.

1115. As any shop?—As any shop—that is to say, the rent that would be paid for it as an ordinary shop; to that I have added a small percentage of what we consider would be equal to half the sum that a man would pay for the license of these premises—that is to say, that a man coming in would pay the man going out a certain sum for the license and goodwill; I take it that the goodwill and fixtures are equal to half, or rather more than half, and that the remainder is the license which is rateable. That is practically the same procedure as has been adopted in London.

Chairman.

1116. That is to say, if one man would give another man 100*l.* to come into the public-house, you assume that 50*l.* of that is goodwill and trade fixtures, and that 50*l.* of it is the value of the transfer of the license?—That is the outside. In a great many cases I have not assumed, perhaps, more than 30 per cent., but 50 is the outside; in no case have I gone beyond that.

Mr. Hemphill.

1117. Do you yourself know the principle upon which English licensed houses not tied are valued?—Yes, as regards London.

1118. Not tied?—These are not tied houses. Here is the "London County Council Assessment Conference, 1899." These are "Resolutions passed at a conference of the Local Government and Taxation Committee of the Council with representatives of the Metropolitan Overseers and Assessment Committee, the London School Board, the Metropolitan Asylums Board, and the Receiver of Police with a view to promoting uniformity in assessments" and in valuing licensed premises, they say: "In the case of freehold public-houses, beer-houses, and other licensed premises 4 per cent. on the present value of the land, together with 6 per cent. on the present value of the building shall be taken as the rent, and that together with 5 per cent. on half the premium which would be given for the premises and business, subject to such rent, shall be taken as indicating the gross value." The difference

Mr. Hemphill—continued.

I make in regard to that is that I take 4 per cent. instead of 5 per cent., and 4 per cent. instead of 6 per cent. in arriving at the value.

1119. That refers to untied houses?—Yes.

1120. Do you know the Scotch system of valuing public-houses?—I heard it described here last week.

1121. You heard it described here; you heard Mr. Henry examined?—I did—yes.

1122. Does your proposed system correspond with that?—I think the result comes out the same.

1123. Is that your opinion?—I think so from what Mr. Henry said. I take it that on looking at his evidence it would come to the same thing.

1124. Very well; that is your view; the evidence will speak for itself?—Yes.

1125. Now do you wish still to say that, supposing there was a general re-valuation of all the land and all the houses in Ireland, it could be completed in ten years?—If I could get the staff—yes.

1126. That is, if you could get any number of staff that you required?—If I could get a staff (say) 60 men I think that would do it—or 30 additional men.

1127. What is your present staff?—My present staff is 35 I think.

1128. If you doubled your staff how long would it take?—If I doubled my staff I could do it in ten years, I think.

1129. And if you tripled it you could do it in less, I suppose?—Something less.

1130. I believe it has been stated that the expense of Griffith's valuation, which took so many years, amounted to some 400,000*l.*, or something like that?—Yes, as near as one can calculate.

1131. That would all become useless if there was a general re-valuation in Ireland?—Oh, no, that would be very useful to show what has been done.

1132. It would guide you in making the new valuation?—Very much. It would simplify the making of the new valuation very much.

1133. It would simplify the new valuation?—Yes.

1134. Then, if that is so, taking that into account, what would the expense of this general re-valuation of Ireland amount to?—I estimate that it would be (about) something like 250,000*l.*

1135. To do it in 10 years?—Yes.

Mr. Lough.

1136. Do you mean 250,000*l.* for the whole—that is 25,000*l.* a year?—Yes, that is about it.

1137. A year?—Yes.

Mr. Hemphill.

1138. That would pay your staff of 70 men and all the surveyors and so forth?—Yes.

1139. On whom does the cost now of the Valuation Department fall—is it upon the Imperial Exchequer?—A portion upon the Imperial Exchequer and a portion of it upon the counties, and there are certain fees.

1140. That

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[Continued.]

Mr. Hemphill—continued.

1140. That is what I wanted to know. Can you tell me what portion is now paid under the present system by the counties?—Yes, 8,000*l.* a year is the contribution by the counties and county boroughs to the Valuation Department.

1141. For the entire of Ireland?—For the entire of Ireland.

1142. Boroughs and counties?—Yes.

1143. And what is the contribution from the Imperial Exchequer?—It varies, of course.

1144. Take the last?—About 18,000*l.*, I think.

1145. Do you propose that the same ratio should exist under the new general valuation if it were adopted?—Well, that I have not considered.

1146. You have not considered it?—I have considered it, but I have not come to any conclusion about it.

1147. Do not you think that if there is to be a general re-valuation, the whole cost ought to be thrown now upon the Imperial Exchequer?—I do not see exactly why.

1148. Would not the principal advantage from a re-valuation be in enabling this new value to be the standard for Imperial taxes?—It would make very little difference to the Imperial taxes.

1149. Is not that the principal object of the Imperial taxation?—Oh, no; that is not so.

1150. That is not the object?—I say that is not the general object—you said the general object, I think?

1151. Yes, "the principal object"?—It is not the principal object.

1152. It is an object?—It is an object to some extent, but it is not the "principal object."

1153. If we put Imperial taxation out of question, what real advantage would be derived (beyond a mere abstract perfection) by the Irish public from a general re-valuation?—That each person would be paying their fair proportion of the local taxes, instead of, as at present, one man paying for his neighbour.

1154. Would you explain how one man pays "for his neighbour" now?—In this way: Take Grafton Street—there are two houses in Grafton Street, one has been re-valued within the last 10 years, and its value set up to 300*l.* a year—the owner pays tax on 300*l.*; the next house to it is of exactly the same building and exactly the same value, it has never been re-valued, and that is valued at a hundred pounds a year; therefore the man that is paying on the 300*l.* is paying a large proportion of his neighbour's tax.

Mr. Clancy.

1155. I think the last remark applies largely to Government property, too, does not it? Government property has not been re-valued, I think, for many years?—Part of it is re-valued every year now.

1156. Is Dublin?—In Dublin it was re-valued four or five years ago—the whole of it.

Mr. Hemphill.

1157. Take the two houses in Grafton Street, the one is held at 300*l.* a year because of the structural improvements made in that house?—There were certain structural improvements.

Mr. Hemphill—continued.

1158. And there were no structural improvements made in the adjoining house?—No.

1159. That must be an *Hypothesis*, because if there were structural improvements in the case of the 100*l.* a year house, you would have it re-valued?—Assumedly.

1160. What do you mean? Would it not be the duty of the rating authorities to have it re-valued?—Certainly.

1161. That would equalise the matter without a general re-valuation?—If a structural change has been made, and they brought the case before me it would equalise the matter.

1162. Can you point out any other advantage from a general re-valuation?—Yes. In Ireland at present there is an enormous amount of transfer of land, which has been going on in the last few years under the Ashbourne and other Land Acts.

1163. Land Purchase Acts?—Land Purchase Acts. The registry of title in these cases is not made on a map; it is made from a description; made on a map; it is made from a description. In the Registry of Deeds—where these are lodged—we find that although a map is attached, it is expressly stated on it that they do not guarantee the accuracy of the map; and, therefore, it is practically of no value. The first duty in making a re-valuation would be to show in the new Ordnance maps—which are being published now in Ireland—every holding exactly as it is—correctly. From that the new value would be calculated; and that would be the first duty of the revisers or valuers. I think a set of maps complete and corrected would be quite feasible, and probably the Government would accept these in registering all these sales in the future; and I think that would be a great advantage which would accrue from a re-valuation.

1164. Would not that be attended with enormous expense, plus the 400,000*l.* that you have already indicated?—That would be included in the 250,000*l.*

1165. Do you mean to say there should be a registry in which every farm would appear mapped with metes and bounds?—There is a register now in my office in which every farm so appears.

1166. You have that at present?—We have that at present; that has been done (40 years ago) on the old maps, but only those cases where the rating authorities have asked for a revision have been corrected. I know that there are numbers and numbers of mistakes that have never been brought before us.

1167. Do you mean in the metes and bounds?—I mean in the bounds.

1168. Would not that involve a general re-survey in Ireland?—That is absolutely necessary if a re-valuation is to be made.

1169. Then you propose to have not only a re-valuation for rating and taxing purposes, but also a re-survey of the whole of Ireland?—Also a re-survey, so far as the maps are concerned, which is being carried out now; about six counties are finished and about four counties are in hand.

1170. How long have they been doing the six counties?—I could not say exactly.

1171. You

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[Continued.]

Mr. Hemphill—continued.

1171. You can give us some idea, can you not?—I am afraid I could not give you any idea how long that work has been in progress.

1172. How long would it take you to put metes and bounds to every farm (as I understand it would have to be checked and compared with the existing survey) and to make a re-survey of the 33 counties of Ireland in a complete way—it should be done with great accuracy if done at all?—The Ordnance Survey work is done with extreme accuracy.

1173. How long would it take to do the 33 counties?—They have four counties in hand at present; if they go on as they are going now in another 10 or 15 years they ought to have done the greater part of Ireland.

1174. The greater part, but not the whole?—I could not say.

1175. You think at all events the greater part might be done in 10 or 15 years. Practically has any inconvenience resulted up to this time from there not being such a help to the registry of these purchases that you have referred to?—I cannot tell you.

1176. Can you give me an instance of any practical inconvenience?—I cannot.

1177. It would sound very well on paper, but are you aware of any practical inconvenience that has resulted at present under the existing system?—I know that recommendations have been sent to the Government—one by Judge Madden and one or two others to the effect that the Registry of Titles should be by map.

1178. That is for the purpose of conveying estates?—No, the conveyance of a tenant's holding.

1179. That is the conveyance of estates and lands. Of course, we know that Judge Madden is an expert on registration?—Yes.

1180. He has written a book upon it. Just to lead up to another question, would you look to your answer to Question 21; you speak of "real value" there. Here is your answer. Have you got the evidence before you?—Yes.

1181. "What I meant was that it did not correspond to the real value as it is at present." That is what is put to you, and you say "Yes." You see you use the words "real value"?—I did not use them; the Chairman did.

1182. You adopted it?—Yes.

1183. In these inquiries the answer is, of course, not like it is in a Court of Law; every question is more or less a leading question; and when a witness adopts the question it is an adoption of the words; therefore, I use it as you use it. Now what do you mean by the "real value" in that?—The real rateable value.

1184. The real rateable value?—Yes.

1185. In Question 22 you are asked: "And has that had also the effect of dislocating the original proportional relation between the value of land and the value of houses"?—Yes.

1186. Will you tell me exactly what you mean by "the proportional relation" in that answer—I mean it is a general word, and I want to be specific?—I meant this, that at the time Griffith's valuation was made assumably houses and lands were all valued on exactly the same basis.

1187. Surely not under the Act of Parliament?—Yes, practically.

Mr. Hemphill—continued.

1188. The houses and buildings were made liable with regard to their letting value?—Yes.

1189. And land; according to standard prices set out in the Act, as the average for three years?—Yes; that is the letting value—the letting value on a fixed standard of prices.

1190. Is there a word about letting value under the Valuation Acts in Ireland quoad land: Are the words "letting value" used in any part of the Valuation Acts quoad land?—I do not know whether it is actually used, but the intention of the Act is clear.

1191. Surely! We will judge of the intention from the terms of the Act; that is the only way we can judge of it. Do not you know that the Act is as precise as language can make it—that you are to take the value of the houses from their letting value from one year to another—what they would let for—which is very intelligible, as far as houses are concerned, but with regard to the land there is a certain standard of prices which were the average prices on the antecedent three years of the different species of produce, and that that is made the basis of land—the only basis?—Yes, for the purpose of arriving at letting value.

1192. There is not a word used about letting value, but the rating value. Rating value is one thing, and letting value is another?—I take it the intention of the Act was that all rateable hereditaments were to be valued on the same basis.

Chairman.

1193. Assuming in the case of land that the rating value is got at from a schedule of prices, and assuming that in the case of houses the rating value is got at from the letting value, there would still be a proportional relation between the one sum and the other, would not there?—Yes.

Mr. Hemphill.

1194. You do not mean to say that under Griffith's valuation the letting value and the rating value corresponded?—I consider that under Griffith's Valuation the rating value of houses and the rating value of land are presumably on the same basis.

1195. Is it your opinion that it was the intention of the Valuation Acts that the rating value should correspond with the letting value of land?—Yes.

1196. Then how does it come that all the land in Ireland, speaking generally, was let at at least one third more than the rating value of it?—I do not know.

1197. Do not you know that as a fact?—It is not in the north.

1198. We will say three provinces: we will leave out the north. Do not you know that in every part of Ireland up to the present the gross value was no guide at all to what we call the letting value of the land?—Exactly; I do not think it is hard to understand, because Griffith's Valuation was the letting value on a certain scale of prices. When that scale of prices altered, the rent value naturally altered, too.

1199. Then they did not correspond. However, we have got your answer. As I understand,

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[Continued.]

Mr. Hemphill—continued.

stand, from your statement to-day, there is no power at present to make any alteration in the valuation of land as land?—That is so.

1200. It is stereotyped—fixed values?—Yes.

1201. Do you think it would be advisable without a general re-valuation of Ireland to have some legislation by which now, if the occupier of land felt aggrieved by the valuation, he would be enabled to have that particular power revised, even though it might affect the general valuation of the entire district?—I do not think it would be advisable to have any power to re-value any portions of land now, at the will of the occupier, unless a re-valuation of the whole of the rating area was made; I think it would only lead to more discrepancies—and worse discrepancies—than there are at present.

1202. Assuming that these Land Acts had never been passed, and that there was no such thing as judicial tenants, do you consider that it was a defect in Griffith's system or the Rating Acts that there was no power by which you could vary the valuation of houses, as I understand you now vary the valuation of land? Why not put them on the same footing in that respect?—I have no doubt the idea was that lands do not change in value in the same way that houses do, and, therefore, it is necessary to have a constant revision of houses especially when (as it is in the Valuation Acts, I think) revision is confined to structural changes; but the Valuation Acts provide in one or the sections for re-valuation. Unfortunately that section is not operative, but it was evidently intended at that time that there might be a re-valuation of land every 14 years.

1203. And why is not that operative?—One of the reasons is that, unfortunately, there is no provision for the funds.

1204. No provision to pay for it?—Yes.

1205. Would not a short Act of Parliament enable the Government to advance some 300, or 400, or whatever it may be?—No doubt.

1206. Do you think that would be advisable?—I think it would be much more advisable to deal with the whole question at once.

1207. Would not this be much simpler and much cheaper?—Oh, no.

1208. Read the section, and then it will appear on the Notes?—It is Section 34 of the Act of 1852.

1209. You think that if there were funds available it might now be made operative?—I think that is the chief reason, that it has not been operative.

1210. You have your evidence before you. In Question 27, you are asked: "Is it the case that the reason why each year may make a greater discrepancy between the old proportional relations between the valuation of land and of hereditaments other than land, is this—that the statute itself prescribes that it is not possible to alter the value of a town-land," and you say, "That is so." Now, I want to know—it is merely that the Committee may have it clearly before them—you cannot alter the value of the town-land, but is there any means now by which you can adjust the relative values of two farms, *inter se*—that is, lower the valua-

Mr. Hemphill—continued.

tion of the one and raise the value of the other proportionately?—Unless there is a clerical error I do not think there is any power.

1211. You cannot alter the valuation of the farms—I say "farms" as meaning land—*inter se*—that is lower the value of the one and raise the other in proportion; you cannot do that without there is a clerical error?—We cannot do that unless there is a clerical error, in my opinion.

1212. Now I come again to the question: Cannot that be done by a short Act of Parliament; might not that power be given?—Yes, but I do not see any object in it.

1213. Now if you turn to questions from 28 to 39 (I am not going to repeat them, but merely call your attention to them), in Question 28 you are asked "Now although land is statutorily stationary, as you have explained, in point of fact has the value of land altered considerably since the date of the valuation being taken?" To that you reply, "In certain districts it has." Then this is put to you: "I suppose, through improvement and drainage and so on, the value of certain land has considerably appreciated"; and your answer is, "Yes." (Q.) And doubtless also in some other districts there will be cases where the value of land has depreciated. (A.) That is so." And then the Lord Advocate puts "By reason of flooding and moving bogs and that sort of thing." Now with regard to that answer, "By reason of flooding and moving bogs and that sort of thing"—is not that a very exceptional thing—that land has been really, as it were, completely annihilated or lost its character of land in an agricultural sense. Is not that a very rare occurrence?—I have hardly ever a year pass that I have not two or three applications.

1214. In the last 40 years—you cannot go so far back as that I know, but I unfortunately can; have there been more than two or three instances of what you call shifting bogs and sweeping away land?—The cases that are brought before me are nearly always cases of erosion by the sea.

1215. On the sea coast?—On the sea coast.

1216. And those are not very numerous?—Perhaps two or three in a year, or something of that kind.

1217. And only deal with a small proportion of land?—Yes.

1218. If the whole farm was obliterated from the face of the earth I presume it would be effaced from the valuation books?—I suppose it would, I have not had a case of that kind.

1219. Now, as to the land in this new scheme or idea of yours, I say "scheme," but this project of yours, do you say that the land should be valued as an entity with regard to the relative interests of landlord and tenant under the present system of dual ownership?—Yes.

1220. Is not that the way it ought to be done?—Yes.

1221. You take a farm as it stood?—Yes.

1222. You disregard altogether the relative interests of landlord and tenant?—Yes.

1223. But you value it twice?—No.

1224. That is what you propose to do. Now, your basis for ascertaining value, as I understand, would be the letting value of that farm so regarded?—Yes.

1225. Is

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[Continued.]

Mr. Hemphill—continued.

1225. Is not that what I understood you to say?—Presuming it is in the landlord's hands.

1226. That is as it is there; suppose neither landlord nor tenant exists; but there is the farm now; it would be the letting value. Now, would that standard apply to all the land in Ireland as at present?—I think, generally speaking.

1227. It would apply clearly to land in the owner's own hands?—Yes.

1228. Would it apply in the case of old tenants; that is, tenants existing before 1881?—Yes.

1229. How could you apportion the interests of the landlord and tenant; how much would you attribute to the landlord, and how much to the tenant?—If there is a fair rent fixed?

1230. Now do not mind the fair rent; you have nothing to say to the Land Commission at all. The Land Commission has no operation except on the individual landlord and tenant; each case in the Land Court is between two individuals. I am putting the case of no "fair rent." You are aware that there are in Ireland a very very considerable number of cases (in fact I should say the greater portion of Ireland) in which up to this time there has been no fair rent fixed. Are you not aware of that?—I do not think the greater proportion.

1231. Well, we will not mind the "greater" but I know of my own knowledge that there is a very large portion of Ireland in which the tenants have not gone hitherto into Court?—Yes.

1232. That is what I call the existing old tenancy before the Act of 1881?—Yes.

1233. Therefore the fair rent has nothing at all to do with that. You would estimate in a case of that sort what was the landlord's and what the tenant's?—I value it as what it would be worth if it was in the landlord's hands. I do not divide the interest; I merely put a value on it.

1234. Then you are aware that, under the existing law (the Local Government Acts and that), the tenant has to pay all the poor rate in respect of land?—Yes.

1235. You are aware of that?—Yes.

1236. Therefore he would have to pay the rate on the landlord's interest in the farm as well as his own?—So he does at present, does not he? He pays it on the rent or on the valuation.

1237. On the valuation?—Yes.

1238. He pays on the valuation of the land?—Yes; which is practically the same as the rent in a great part of Ireland.

1239. No, no?—It is not very different.

1240. Do you mean to say that the Poor Law valuation and the rent are the same?—I think the rents as fixed in Ireland now are very much the same.

Chairman.

1241. What Mr. Hemphill is asking you is, what you would do in the case where a fair rent had been fixed. You said you would value the land as a whole, and that it was not for you to value the tenant's and the landlord's interests separately, but take them as a whole?—I would not divide the landlord's and tenant's interests further than that the house would be separately valued.

025.

Mr. Hemphill.

1242. And of course it must be under the Act—I am assuming that throughout—do not repeat that each time. Then you said (and that is what I want you to consider in your answer) that now the letting value in the case of a farm of that sort corresponded, as I understood you to say, with the rating value—the valuation for the purposes of rating?—What I said was this, that the letting value—or rather the fair rent, which is, I take it, the only letting value you have in Ireland—that the fair rent as fixed up to the present time, is practically the same in total amounts as Griffith's valuation for the portion in which the fair rent has been fixed.

Chairman.

1243. Therefore I suppose, by parity of reasoning, you would say that for the portion where the fair rent has not been fixed, Griffith's valuation would be the same as the fair rent?—Not in each case. The total would come to that, but it would not be the same in each case; I am talking of the whole.

Mr. Lough.

1244. Now, is that statement you have just made accurate; is it not true that the fair rents fixed under the first period were on the average, under Griffith's valuation, some two or three per cent.?—No. When I gave evidence before the Financial Relations Commission—

1245. That was in 1894?—In 1894. Up to that date the valuation of all the cases that had been settled in the Land Courts was, I think, one and a-half per cent. over the fair rents as then fixed.

1246. Griffith's valuation was just over?—Was just over.

1247. Now, are you not aware that, so far as these rents have been re-considered, they have been reduced by the Land Commissioners?—I think at present Griffith's valuation would be over.

1248. Greatly over?—I cannot say how much; it would be over.

Mr. Hemphill.

1249. Have you any idea now, assuming that I am correct in what I suggest, and I have no doubt about it, that there is a great portion of Ireland tenanted by tenants who have not as yet, at all events, got their fair rents fixed. Do you mean to say that valuing the land as if it were in the landlord's hands would be fair to the tenant, having regard to the present incidence of taxation?—I do think so—yes, certainly.

1250. That is your opinion?—Yes.

1251. Then in the hands of the judicial tenant, that is where the rent has been fixed for the first time, you say that Griffith's valuation was rather over the judicial rent?—The aggregate. The aggregate of the judicial rents fixed up to that date was rather under Griffith's valuation on the same property.

1252. Was that on one property?—On the property in which judicial rents had been fixed; it included some thousands of cases—hundreds of thousands perhaps.

1253. Did you go over the subject to test the accuracy of them yourself?—Yes, accurately.

H

1254. Is

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[Continued]

Mr. Hemphill—continued

1254. Is your evidence then that on the first fixing of the rents, Griffith's valuation is almost inappreciably higher than the statutory or judicial rent of the portion that was fixed up to 1894?—Yes.

1255. That is the first fixing of the rent?—Yes. The reason I cannot say from that date on is this: Up to that date the Land Commission published in their reports each year the judicial rent and the Poor Law valuation; after that they did not publish them; and therefore it was not possible to get the figures and make the comparison.

Mr. Lough.

1256. But we are able to make it: We now know that these rents have been further reduced?—Yes.

Mr. Hemphill

1257. We will come to that. Then according to that, instead of having that complicated system of Land Commission, if the tenants all over Ireland had their rents reduced to the then Griffith's valuation, the same result would have been achieved. Do I convey myself? Do you understand the question?—Yes. The same result in the aggregate would have been achieved but not the same result in each individual case.

1258. In the aggregate it would at all events?—Yes.

1259. Do you admit that in individual cases there was a great discrepancy between Griffith's valuation and the first judicial rent?—In some cases there was considerable discrepancy.

1260. Do not you know now—is it not the fact—that really Griffith's valuation was no guide at all or criterion for fixing the first judicial rents?—I cannot say as to that.

1261. On the second revision now, under the recent Act—the second rent that is fixed on revision after 14 or 15 years—is not that some 20 per cent., generally speaking, lower than the first?—I could not say the exact proportion.

1262. Is it considerably lower?—It is lower.

1263. Considerably lower than that would require a different standard of valuation, would it not?—Has the tenant of a judicial tenancy whose rent has been revised now to pay rates on the valuation including all the landlord's interest as well as his own?—I do not quite understand the question.

1264. Surely; if a tenant, now, whose rent was we will say 50*l.* a year, and on the revision it has been reduced we will say to 25*l.* a year or 30*l.* a year, he is valued——?—On the 25*l.*

1265. No, your valuation would not be on the judicial rent, you know?—My valuation will be on the second term judicial rents plus the tenants' improvements.

1266. That means a great deal. He is valued under your system at 40*l.* a year, his rent being 30*l.*?—Well, assume that; it would not be nearly as much, but the figure would be slightly more.

1267. Would it be fair that he should pay the tax on the difference between the 40*l.* and the 30*l.* a year?—Certainly.

1268. Though it did not represent property of his at all?—It does not represent property.

Mr. Hemphill—continued.

1269. No, no, because the rent that he has to pay is 30*l.* a year?—Yes.

1270. That represents the landlord's interest?—That represents the landlord's interest; then he has a certain interest in himself; he has built a house on the farm.

1271. That is the "buildings"; the buildings are quite apart for the purposes of taxation?—That is the only thing I am adding to the judicial rent, the interest on his improvements; I am adding nothing else.

1272. Have you compared the existing valuation and Griffith's valuation with the second rents fixed under the last Land Act?—No.

1273. You cannot tell whether they are much below Griffith's valuation or not?—I have compared land only in these few cases you have here before you, and of course that would not be a fair comparison.

1274. In those few cases do they happen to be below Griffith's valuation. I am speaking of the second revision?—Yes; those few cases would be about the same on an average as the second term judicial rent, plus the interest on the tenant's improvements—not as tenant right but as interest on the tenant's improvements—the figure that appears first in this as the gross value.

1275. Give me one figure. Suppose Griffith's valuation is 20*l.* a year, what would the second revised rent be?—Take any one of these, the figures are given in every one. In this case you will see the particulars of the tenement valuation. It is 38*l.* 15*s.* in this case.

1276. What was the revised rent?—The revised rent is 38*l.* 17*s.*, and the gross is 43*l.* 17*s.*

1277. What do you call the gross?—That is the revised rents plus interest on the tenant's improvements. Take the next one. The tenement valuation is 33*l.* 15*s.*, the gross rent—that is including the tenant's improvements—is 33*l.* 9*s.*

1278. That is not the object of my question. What I want to know is this: Suppose I am a tenant with a fair rent fixed on a second revision, and I pay, we will say 30*l.* a year—or, say, 35*l.* 10*s.* to the landlord, what will be Griffith's valuation on that farm?—The fair rent is the figure I started with.

1279. Would it not be much simpler to adopt these new rents as the basis for taxing and everything else (because there is an expensive machinery for ascertaining these rents) and would it not dispense with the necessity of any re-valuation if there was simply an Act of Parliament saying that the rent of any tenant which was revised a second time and so forth should be the valuation for the purposes of taxation, Imperial and local?—That would not be fair to owners of other hereditaments such as houses, because you would be valuing the tenant merely on his land without the value of his houses.

1280. You could easily keep the rating of the house distinct as it is kept distinct at present; and therefore that would not represent any practical difficulty. What I say is, so far as the land is concerned, might not the fair rent—fixed by this expensive tribunal—be also, with-

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[Continued.]

Mr. Hemphill—continued.

out the necessity for any re-valuation, the basis of taxation—Imperial and local; that is supposing, as here, that the rent is 54l. 14s.—that that is ascertained to be the fair rent of the holding—then discriminate how much is appropriated to buildings and how much of that to land, and make that the basis of taxation?—That does not include the value of buildings; that only includes the value of the land.

1281. The buildings you know were made by the tenant?—Yes; that is the reason I must add the interest on them in order to compare lands and houses on the same basis.

1282. Then do you say the same standard would be applicable to every species of tenancy?—I want to value them all on the same basis as nearly as possible.

1283. Now, how would you proceed in a district where some of the tenants paid the judicial rent and others did not; would you say that it would be fair relatively between them to value in the same way?—In those cases where they have not had a judicial rent fixed I must value the land as nearly as possible on the same basis, and try to make them equal.

1284. If you look at your answer to Question 73, you will see you seem to anticipate a difficulty of this sort, for you say that the valuation of rural districts should be postponed till some rents were fixed under the Act of 1896?—That is so.

1285. Therefore, until that is done, you have no control over the speed with which that can be done. How could you possibly adjust matters so that the burden would fall equally on both classes of tenants?—I propose that the county boroughs should be done first, and that the towns should be valued before the county districts.

1286. And you expect the whole valuation to be completed in 10 years?—Yes.

1287. What guarantee have you that all the rural districts will be revised, if at all, within 10 years?—I have no guarantee.

1288. You have no guarantee at all; therefore do not you see that really your project might, after all, prove more or less abortive?—Oh, no, I do not think that; my project is not to value Ireland in 10 years. I said simply that it could be valued in 10 years.

1289. You say that your surveyors will have nothing to do but to take this pink paper and ascertain the fair value according to these pink papers?—I do not say they have nothing else to do; they would have a great deal else to do besides that; they would have first to go to the holding.

1290. You sit in review over these people; who ascertains the fair value on these pink papers?—The Land Commission.

1291. They have a staff for that purpose?—Yes.

1292. And a very numerous and expensive staff. Is your surveyor at liberty, then, as it were, to review the conclusions to which the framer of the pink paper has arrived, and set up a different value?—That is exactly what I propose he shall not do, except in exceptional cases.

1293. Then would you make the fair value of these pink papers conclusive in regard to all the land in Ireland?—I should make the gross

Mr. Hemphill—continued.

value set out in those pink papers, unless exceptional circumstances arose which would make them not fair, the basis of the valuation of the rural lands.

1294. Now, do not you know as a fact that, even as it is, a good deal of dissatisfaction is felt at the valuation put upon these pink papers in every part of Ireland, because they are done without any means of checking them or revising them, or anything else?—I do not think I have heard of any; there may be, but I should not hear of it.

1295. You would make these pink papers actually the basis of a general valuation though that basis was arrived at by parties over whom your Department has no control whatsoever?—Yes.

1296. Would it not be better than to abolish your Department, and transfer the valuation to, and treat it as a portion of the Land Commission? Do not you see that? Would it be necessary to have two very expensive Departments of the State which would ultimately arrive only at the same conclusion?—In the first place the number of these pink schedules, as you have already stated, is very small when compared with the whole of Ireland. Even if every tenant in Ireland had his rent fixed for a second term it would be only a proportion, and not a very large proportion, of the whole country; the rest of the country would have to be valued on the same basis. In addition to that it would be necessary for my man to perambulate every holding, as I have already said, to fix the boundaries of every holding. It would be necessary to revise the names of the owners or occupiers, who may have changed since that time. What we get from the Land Commission will save us a considerable amount of money. Instead of the valuation costing 400,000l. it could be done perhaps for 250,000l., as I have said; but there is a great deal of work to do in addition to what the Land Commission have done.

1297. Suppose Farm A. has had a fair rent, fixed on a second revision, how do you propose then that your valuator should value Farm B., which has not been revised? Is he to take the pink paper of value A. and compare it with Farm B.?—Suppose there was only one farm in the immediate neighbourhood which had been adjudicated upon by the Land Commission, he would have to make from his experience as a valuer the value of the other farms around his.

1298. In the district?—In the district, more or less on the same basis.

1299. Then in point of fact he would have to do the work which would now be done in respect of each of those other farms in the district by the Land Commission when they come to fix a fair rent?—If they are ever coming to fix a fair rent.

1300. He would have to do the same work exactly?—If they are ever coming to fix a fair rent; but in the greater proportion of the cases that he would deal with they would never come to fix a fair rent.

1301. Suppose an injustice was done by your surveyor, the only appeal would be to the head

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Mr. Hemphill—continued.

of the Department?—No, the appeal would be just as it is at present, to the higher courts.

1302. On the question of value—(I am speaking of value only)—suppose an individual farm was over valued in the opinion of the farmer, how would he get redress?—If the present machinery was in existence he would go to the Quarter Sessions.

1303. And that is the final appeal?—That is the final appeal on the question of value.

1304. And you propose to abolish that appeal?—I do not think I proposed it; it was proposed by the Local Taxation Commissioners.

1305. I know, but did not you give evidence in favour of it?—I do not remember, but I do think that in ordinary cases it is unnecessary.

1306. As I understand your view—it may be right or it may be wrong—is that there should be no appeal on the mere question of value from the head of the department?—That is my opinion.

Mr. Clancy.

1307. This valuation of course cannot be finished simultaneously?—No.

1308. Would you then propose its coming into operation piecemeal, or would you wait for the whole?—I think it ought to come into operation in the same way as the original valuation did, in each district, and each county as completed.

1309. Would not that do great injustice to the payer of income tax?—I do not think so, because I think that the assessment for income tax in Ireland would be very very little altered under the re-valuation.

1310. The machinery for valuation in England now is the Local Assessment Committee?—Yes.

1311. In Ireland it is a departmental body?—Yes.

1312. You prefer your own system?—Yes.

1313. Would you be in favour of taking something of each system; for instance, would you be in favour of having a jury to assist yourself?—I do not know that I could get a jury of surveyors.

1314. A law could be passed, you know, making the getting of a jury very easy?—I do not know where you would get a jury of surveyors in Ireland; I could not get it.

1315. I do not mean that: I mean that a mixture in some way might be found by statute, with the local assessment plan in England and the central authority system in Ireland?—I do not know how it could be carried out.

1316. Are you not aware that that is exactly what was the case in Ireland at first?—I know it was, and it utterly failed.

1317. There was an Appeal Committee assisting the Commissioner?—Yes.

1318. Would you assent to reverting to that?—I think if the whole re-valuation of the country was being carried out it would be desirable to associate with the Commissioner possibly one or two leading surveyors—if they could be got—in Ireland. If they could not be got there, you would have to get them elsewhere.

1319. You will not go further than to say that it would be desirable to associate with the Committee or with yourself such persons as

Mr. Clancy—continued.

leading representatives of county councils and county borough councils?—I do not think there would be any harm in putting on (perhaps) one man from the county council where the valuation was being carried out. I do not see any objection to that; but it is so much a technical question that I do not think he would be any very great assistance.

Mr. Hemphill.

1320. Assuming now that you were putting down the whole fabric of valuation, would not you think it well to adopt the English system and the Scotch system where the different county councils themselves are the valuing body by committee—by an assessor?—Certainly not.

1321. Instead of having a Government Department, would it not be much better to have it done by a legal body?—Certainly not. I think the Report of the Local Taxation Commission shows that very plainly.

1322. I am only wanting to form my own judgment; I am not bound by theirs?—I am bound to some extent.

1323. You do not think so?—No, I certainly do not.

1324. That is the English and the Scotch systems?—Certainly.

Mr. McCann.

1325. Griffith's valuation, as I understand, was based very much on the price of agricultural produce?—Yes.

1326. The price of agricultural produce does not come in much to the Commissioners; they do not make a decision very much, as I understand, on the prices of produce—the present Commissioners, whose valuation you adopt?—You mean the Land Commission?

1327. The Land Commission?—I am afraid I cannot express an opinion on what comes into that decision.

1328. Anything may come into their calculation. As I understand you, they are bound to exclude the market (the competitive) value as an element of calculation, is not that so?—I believe so.

1329. That is the only one thing, as I understand, that they are bound to exclude; they may exclude anything else they like?—I believe so.

1330. Would you propose to check their calculations with any reference to prices of agricultural produce in a re-valuation of Ireland?—I do not see how I could.

1331. You would simply take their calculation?—Yes. I look at it in this way, that what you really want to get is a valuation which would be relative; it does not matter whether the valuation is a little too high or a little too low really, so long as it is quite relative. I am talking now of purely local purposes (let us put the Imperial question aside), and I think that a valuation based on the lines of tenants' improvements, and (practically) rent will be (and will be to the great majority of tenants appear to be) the fair thing; and the reason I say that is this,—that in a great number of cases we have had to divide holdings, which have been divided between two, or perhaps three, different tenants. Accord-

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[Continued]

Mr. McCann—continued.

ing to the system adopted in the past by Sir Richard Griffith that holding would be divided up in proportion to the value that Sir Richard Griffith's original valuers had put upon each field. I have been over and over again asked by the tenants not to do that, but to divide it in proportion to the rents; and I know that that is the general feeling—that they would like to have their valuation uniform with the rent. That is one reason which influenced me very much in suggesting this plan.

1332. The only other question I want to ask is this. You would not propose checking the Sub-Commissioner's rent or the Land Commissioner's rent—the rent they fixed—on any principle with reference to the prices of agricultural produce?—No; I would only check it so far as houses are concerned.

Sir John Colomb.

1333. Although it is not specified in the Act with regard to the valuation of land that the fair letting value is to be considered, it was in the directions of Sir Richard Griffith, was it not, that the valuation was not to exceed the fair letting value?—Yes.

1334. Now, taking your basis of valuation, taking the pink schedule, that could not apply, could it? It would lead to a reduction, would it not, on the present valuation?—If I took the gross figure in the pink schedule?

1335. Yes?—To some extent I think it would, but not much.

1336. If the rents now are less than Griffith's valuation, then, presumably following out the Act, or Sir Richard Griffith's directions, the present Griffith's valuation is above the fair letting value?—I do not quite understand.

1337. Is it not so, if you are going to take the pink schedule without deductions?—But I am not going to take the fair rent.

1338. If you take that without deductions, and that is above Griffith's valuation, then, according to your theory, the existing valuation by Griffith is above the fair letting value?—Above the rateable value; slightly above the rateable value.

Chairman.

1339. Is that what you mean? Are you sure that you follow Sir John Colomb?—The way I look upon it is this. Sir John Colomb suggests that Sir Richard Griffith's valuation was presumably not over the fair letting rent at the time.

Sir John Colomb.

1340. That was a direction of Griffith to a valuation—that it was not to be above that?—Yes, that it was not to be above that. If I took the gross value, that gross value would be rather less: taking the whole country together it would be something less than Griffith's valuation.

Chairman.

1341. Well, would it?—I take it it would be slightly less. It is very hard to say.

1342. In the instances you have put in it is more?—In some cases it is more, but I think on the whole it would be very nearly the same—the gross; it is only a surmise.

Chairman—continued.

1343. That is what puzzled me, the special instances, or the ones I glanced at?—You have only one or two of them. Some of them are a good deal less.

Sir John Colomb.

1344. At the time of Griffith's valuations, prices were high, and now they are low?—The prices now.

1345. An honourable Member asked you if prices at the time of Griffith's valuation were high, and now they are low, and you said "Yes"?—I did not mean that, certainly.

1346. That is what I thought?—The valuation prices are higher now than in Griffith's day.

Mr. Lough.

1347. What are they?—I think I can give you them all. I think everything else is higher, except wheat.

Mr. Hemphill?

1348. The prices were adopted as standard prices?—Yes, as standard prices.

1349. That is the only one we can go on, the standard prices at the date fixed in the Act?—I am afraid I have not got it here, but I know in every case it is so.

Sir John Colomb.

1350. I asked that one question to see whether you had any correction to make. Suppose you were going to take the standard of prices now for valuation; suppose Parliament decided that it would be wise to take the standard of prices following out the lines of Griffith's valuation, you would not take wheat, would you, as the chief element in Ireland?—Oh, no.

1351. Would you not take butter and cattle?—Butter and cattle and oats.

1352. Would you take the question of the price of meat so much as the price of store cattle and raising young cattle?—I think you would have to take into consideration the district you were valuing in. If I was valuing in Meath I would take meat; if I was valuing in the west of Ireland I would take store cattle.

1353. But you say the value of land has altered considerably since the date of the valuation, do you mean all the land of Ireland universally and generally, or do you mean particular classes of land relatively?—I mean all classes of land relatively.

1354. And with regard to the opinion you gave us, that there was a general consensus of opinion in Ireland that a re-valuation of the county was necessary, I understood you just now to say that that rests merely upon general conversation you have heard?—General conversation and also opinions expressed through my revisers in the different districts; I have constant complaints that the valuations and the rents are not on the same basis.

1355. That is not exactly the same thing as a general consensus of opinion that a general re-valuation of the country is necessary?—I can only say that that is partly what I founded it upon, and partly upon evidence given before the Local Taxation Commission; I think every Irish witness there was in favour of a re-valuation.

1356. You

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1356. You have got no other evidence to support and to sustain that view, that there is that opinion in Ireland?—No other evidence beyond that I think.

1357. You, I think, said that the judicial rent you did not consider was any test of the letting value?—Did I say that?

1358. I understood you to say that. It was to give you an opportunity of correcting it that I put the question?—I do not think so; I do not think I expressed any opinion upon it.

1359. Then that is not your opinion?—I do not wish to express an opinion upon the subject at all.

1360. But you reject fair rent altogether as the true letting value?—I reject the fair rent as the rating value.

1361. But all the same you take the pink schedule without the deductions as the rateable value?—As the basis for rating value—yes.

1362. Therefore, you depart altogether—at least, you depart to a very considerable extent—from allowing the fair letting value to be an element in considering and fixing the value?—I do not say that; I do not think you can draw that inference.

1363. Do you dismiss altogether as possible the view of taking a fair letting value in the open market as a standard for measuring the value of land; do you dismiss it?—I do not see any plan—and I have thought it out for years—of getting the fair letting value in the open market of land generally in Ireland—land in tenants' hands.

1364. That being so, although you say it is so necessary to have the same basis in fixing value in all hereditaments, you at once admit, I presume, that you cannot apply it, because you must take houses as at a fair letting value, but that you cannot do that with regard to land?—I cannot do it perfectly with regard to land.

1365. Therefore, any re-valuation of Ireland would not remedy discrepancies between houses and land?—It would not remedy discrepancies between houses and land perfectly, but it would remedy discrepancies between lands *inter se*.

1366. I understood you with regard to licenses to say that you took into consideration, in fixing the rateable value, the amount of purchase-money paid for the licenses?—Yes. I said that it formed an element.

1367. You are aware I suppose of the enormous prices that tenants give one another for their interests?—Yes.

1368. Would you take that in the case of land as an element in fixing value?—A proportion of that is taken, the interest on the tenants' improvements, and the interest on the value of his house; that forms part of the tenant right.

1369. Is your estimate of value, or would your estimate of value be, influenced at all by the fact that those large sums of money were given in particular districts for the tenants' interest?—I do not think it could be. In the evidence I gave before the Financial Relations Commission I thought it would be possible to add to the fair rent a sum which would represent not only the interest on the tenant's improvements, but also interest on what is

Sir John Colomb—continued.

called tenant right—which is outside these improvements—an interest the tenant has—the goodwill; I then tried to form a table, showing in each county what that tenant right was worth in order to try and get an average of the value of tenant right in different districts. I found that those elements varied so enormously that it was almost impossible to arrive at a true average in any district of what tenant right was worth. It varies not only in the district, but it varies according to the farm. A large farm will fetch perhaps five years' purchase, and a small farm in the same district will perhaps fetch 40 years' purchase; therefore, it was utterly impossible to arrive at a fair conclusion; therefore, I had to abandon that idea; and when the Land Act of 1896 (I think it was) was passed, in which the Land Commissioners for the first time were obliged to set out on the pink schedule not only the fair rent, but the gross rent—I came to the conclusion that the gross rent, which included interest on the tenant's improvements, would be the nearest thing I could get to the rateable value dealing with Ireland as it at present stands.

1370. Then it is only to a very modified degree that you take that into consideration at all—the purchase money—I mean to say the value?—Only to a modified degree, certainly; and it is only to a modified degree that I take into consideration the sums paid for licenses. A man may pay a thousand pounds for going into a public-house, and I perhaps only take four or five hundred at the outside.

Sir James Hadlett.

1371. Roughly, about half?—Well, half is the outside.

Sir John Colomb.

1372. Where does the difficulty lie in applying the same rule to land and to public-houses. Will it not be the case that they vary very greatly in different places—the value of the public-houses?—As long as the public-houses in the rating area are all about the same value—that is to say, that the licenses are all about the same value—there is no great difficulty; and we can get in large towns a number of cases where sums have been paid, and taking the few cases in which there has been great competition, and, leaving them out of account, we can get a fair average, but I do not think we could do it in the case of tenant right—I could not.

1373. Here is that schedule—the tenement valuation is 33s., the gross value is put at 27l. 6s. 6d.; the fair rent is put at 24l. 11s. 6d., and this interest was sold for 250l.?—Yes.

1374. Well, that really is raising the fair rent; taking it at 4 per cent., it would be raising the fair rent about 40 per cent.; and, therefore, would not 40 per cent. on to the fair rent in this case more approach the real value to the letting value in the open market?—If that was the fair tenant right, and if, in addition to that, a goodwill—which is practically the same as tenant right—is a legal rateable commodity: that is a question

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[Continued.]

Sir John Colomb—continued.

question which has never yet been decided in the Courts.

1375. But, as a matter of fact, does not that throw some light upon the real letting value of that particular farm?—To the particular tenant who came in—yes.

Mr. Goulding.

1376. On that why is the goodwill of the public-house rateable?—The goodwill in a public-house is not rateable.

1377. You do rate the public-house?—That is the licence; we assume that half is goodwill and fixtures, and that half is licence, and we only rate them on the half that is licence.

1378. You do not rate really the goodwill at all?—No.

Sir John Colomb.

1379. With regard to tenancies in Ireland, you may classify them in this way, may you not: Tenants who have never had a judicial rent fixed; tenants who have had a judicial rent fixed without its being scheduled at all —The first term tenants—yes.

1380. And tenants who have had it fixed with the pink schedule. Is not that so?—1896—yes.

1381. Then you have the purchasing occupiers—the present proprietors?—Yes.

1382. Now is it not the case that those who have had their rents fixed under the pink schedule system are a very small proportion of the total?—I can give you exactly what they are at the present date.

Mr. Henphill.

1383. Is there not another category—the category of future tenants—also to be taken into account?—Yes.

Sir John Colomb.

1384. What is the proportion?—Up to March 31st the number of cases fixed under the 1896 Act (that is the pink schedule, which you have before you) was 58,785; the number being fixed is something like 12,000 to 15,000 a year. Probably the total numbers in Ireland, where they can be fixed, is about 250,000.

1385. I do not want the figures. I suppose you admit that those who have had their rents fixed since the Act of 1896 on the pink schedule are a very small proportion of the total holdings?—Very small. I should think about an eighth.

1386. Therefore, your proposition would really be, to judge the whole of the value of Ireland by what has resulted from an inquiry into one-eighth?—Well, on what would be done at the time, when I would be prepared to value the land; that would be probably five or six years hence if we went on now with the re-valuation.

1387. There is just a question that I want to ask about the valuation of railways: Is it the case that you have fixed the value per train mile?—Yes, in each district.

1388. The value varies with the district?—It might, or it might vary with the district along-side. When I say the "district" I mean the same of traffic; it varies with the same of traffic.

Sir John Colomb—continued.

1389. I ask you this question, because it has been brought under my particular notice: Hotels have been very largely built, as you know in the south of Ireland with the view of encouraging tourists; on what principle do you value those?—Yes, railway and other hotels. In valuing these hotels we take in the particular circumstances in each case. If I was valuing an hotel in Dublin I would take some 4 per cent. on the original cost, plus the ground rent. In the valuation of a country hotel, such as the Southern Hotel at Kramore —

1390. Or take Park Nasilla; the one at Kenmare will do?—What I have taken there is 3 per cent. instead of 4 per cent. on the cost, and we do not add anything for ground rent; we say the ground is practically of no value.

Mr. Goulding.

1391. Does the same rule apply to Park Nasilla?—I think it is about $2\frac{1}{2}$ per cent. there.

Sir John Colomb.

1392. You take 3 per cent. on the estimated total cost?—3 per cent. on the estimated total cost; then, of course, we take the deductions off to make relative.

Sir James Hailett.

1393. In the "total cost," do you mean the furniture of the hotel as well as the shell?—No—nothing internal—just the shell.

Mr. Henphill.

1394. On the structure?—On the structure I think I took it at $2\frac{1}{2}$ per cent. on Park Nasilla. We take that according to the amount of business that is done. Kenmare, of course, is a station, and there is a certain amount of traffic at the hotel there all the year round; in other cases there is not.

Mr. McCann.

1395. You take 3 per cent. on what?—I estimate the value of the cost of construction, but where there is a great deal of cut stone, or anything of that sort, we would not take it into account.

1396. Your own valuation?—Our own valuations are generally below the cost.

Sir James Hailett.

1397. You mean the cube of the buildings?—The cube of the buildings.

Sir John Colomb.

1398. Is that the sole element you take into consideration?—That is practically the sole element I take into consideration.

1399. Simply the cost?—Simply the cost. We, in certain cases, take into consideration the number of bedrooms.

1400. That is what I want to ask you. Do you take into consideration the fact that that hotel is only open four months in the year, and is shut up the rest of the year?—That is what we take into consideration by giving the low percentage.

1401. You

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[Continued.]

Sir John Colomb—continued.

1401. You only make a difference of 1 per cent.—In the case of Park Nasilla I think we made a difference of 1½ per cent.

1402. Will you tell me what your general principles applicable to arriving at the valuation of fisheries are?—Where there is a profit derived from the fishery we get the total receipts that come in for a certain number of years—say five years—and the outgoings that there are and from the net sum, deducting expenditure from receipts; we take interest on capital expenditure, such as nets or anything of that kind; a certain sum is allowed for the replacement of them.

1403. Then you do not value fisheries that are net let?—As a rule they are not valued; but we would value the fishery if the owner had a valuable interest in it. If he fished it and had his friends there, and it was reported to us that the fishery was worth a certain sum, if he chose to let it, we would value it.

1404. You do not value the rivers?—We do not value the rivers except where there is a valuable fishery, either fished by the owner or let.

1405. Then the system of valuation of fisheries in Ireland is different from that in Scotland?—I gathered that from the evidence given the other day by Mr. Henry.

1406. Now, I want to ask you about exemptions. There is a very wide range of exemptions?—Very.

1407. Very much wider than in either Scotland or England?—Very much wider.

1408. What do you suggest, for I have not traced in your evidence any observations bearing upon it or showing clearly what your view is with regard to exemptions?—At present I have but more or less followed the lines which were laid down by my predecessors. I find that convents of a certain kind are valued in Ireland, in a certain way, and when a new convent comes up to be valued, I follow the same line that was taken before, and exempt them, or value them, as the case may be; but, generally speaking, what I do in these cases is this: where I find that the convent belongs (the convent is the clearest case we have) to an Order, and is worked by an Order who is engaged either in teaching poor children or in ministering to the sick, or in works of charity, I would be inclined to exempt it; but where the Order is engaged merely in religious exercises, I would not exempt it.

1409. Now, in these cases, have you got an unbridged discretion to make these exemptions?—No, every case is liable to appeal.

1410. Liable to appeal?—Yes.

1411. But what is your rule—what is the guide to your action?—Precedent is all I have to go upon.

1412. Then convents and monasteries in Ireland are not valued for rating purposes?—Some are and some are not.

1413. And it is you (or your predecessor) who has to determine what are to be valued and what are not?—Yes.

1414. Is that a system you would propose to retain in the event of a re-valuation of Ireland?

Sir John Colomb—continued.

—I think it ought to be defined more clearly in any future Valuation Act what is to be valued and what is to be exempted.

1415. I do not understand what it is now, in your mind, that causes you to exempt the convent or to include the convent?—Simply this: the question as to whether the convent comes within the meaning of the words in the Valuation Act which define exempted property—the section which says that public and charitable property is to be exempted. The question is: Is the convent “charitable”? I satisfy myself whether in the particular circumstances I think it charitable, and if it is charitable I exempt it; and it has been upheld in several cases by the Courts; I have had a number of decisions in favour of its being exempt. With those decisions before me and the precedent of my predecessors, I consider that my duty is to exempt it. It is for the rating bodies, if they are dissatisfied with my decision, to go to Quarter Sessions (or to higher Courts), and then if it ought to be rated, it will be rated.

1416. But they are all valued, are they not?—They are not all valued.

1417. How do you arrive at the value of a monastic building?—It has to be done in something the same way as an hotel.

1418. How do you do it?—I cube it out and take the structural cost; I calculate out the structural cost and fix a sum of about 3 per cent. probably—2 or 3 per cent.—upon it, according to how far it is in use.

1419. Then, in point of fact, in valuing you apply pretty much the same rule to the convent or monastery that you do to an hotel?—Yes.

1420. The same—simply the estimated value of the shell of the building?—Yes.

1421. And when alterations take place, you re-value?—Yes, if it is put on the list.

1422. Then, may I take it as your opinion that in the event of a general re-valuation the regulations as to exemptions should be materially changed?—Yes, I think it should be clearly laid down what are to be exempt.

1423. And what principle is to guide you?—Yes.

1424. I suppose, turning from the schedule, that really the tenant's improvements which are deducted from the landlord's rent should be added to the true value; and that in effect you do by that document; is not that so?—Yes.

1425. You say that any improvements made by a tenant is really adding to the valuation, though it has been deducted from the landlord's rent?—Yes.

1426. Is that so?—That is so.

1427. Is it not the case that a very great deal of improvement has been done to the land in Ireland under the Board of Works Loans?—Yes.

1428. And is it not the case that the Board of Works, in granting the loan for the improvement of land gives an estimate of the enhanced value of that land when the work is completed—are you aware of that?—Yes.

1429. Do they give you as Commissioner of Valuation any notice when they lend money and

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[Continued.]

Sir John Colombe—continued.

and have made an estimate of the enhanced value due to the alterations or improvements for which they are advancing the money?—No, they do not give any notice to us.

Sir John Colombe—continued.

1430. They do not?—No.

1431. They never have?—No not that I am aware of.

Thursday, 6th November 1902.

MEMBERS PRESENT:

The Lord Advocate.
Mr. Charles Douglas.
Mr. Goulding.
Sir James Haslett.
Mr. Hemphill.

Mr. Lough.
Mr. Lee.
Mr. McCann.
Mr. McKillop.
Mr. Randle.

THE LORD ADVOCATE IN THE CHAIR.

Sir JOHN G. BARTON, C.B., re-called; and further Examined.

Mr. Lough.

1432. I THINK this Valuation Department in Ireland is a strictly centralised Department?—It is—yes.

1433. You really do everything involved in the matter?—Yes.

1434. There are no local Assessment Committees?—No.

1435. And whether it is the valuation of farms, or land, or properties in towns (in Cork or in Belfast, say), you do it all yourself absolutely, without the assistance of any local authority on the spot?—As regards the houses in towns, that is so; as regards the farms, I have no power to alter the valuation of any land on a farm. The local authorities have, to a certain extent, a say in the matter; that is to say, in the first place the cases that are to be dealt with in the annual revision come from them, and I only deal with cases they send forward. Further than that, they under the Act are supposed to express an opinion on sending forward these cases as to whether a revision of the valuation is necessary or not.

1436. And beyond that recommendation the whole work of valuation in Ireland is done by your office and yourself?—That is so.

1437. It is, I suppose, the best example of what is called "the Castle system"—that is, the centralised government doing everything for every part of the country?—The centralised government—I do not know exactly what you call "the Castle system"; it is centralised government.

1438. It is a generally well-known expression—"the Castle." You are strongly in favour of maintaining that centralised system and not having any assistance from localities in the work of valuation, I understand?—I do not know that you can put it in exactly that way. I do not think that at present it would be advisable to bring in the local authorities in any way further than they are at present brought in.

Mr. Lough—continued.

1439. You do not think it would be advisable?—At present—no.

1440. But you seem to hesitate about that opinion?—I hesitate so far as this—that as regards the local authorities which are created under the Local Government Act, in some areas, when they had completely mastered the work they are doing at present, I should be very glad to get advice from them on local cases.

1441. Would you approve of calling into existence Assessment Committees such as exist in England?—Certainly not.

1442. Then there is not any parallel, is there, in any other part of the United Kingdom to the system that is run in Ireland?—Not exactly the same.

1443. It is a different system?—Yes.

1444. You gave a reason, I think, to the Committee for maintaining the existing system, which was roundly this: You said it would secure uniformity all over Ireland. I think that is one of your reasons?—That is one of the reasons.

1445. The chief reason?—A chief reason; there are several others.

1446. You know Ireland very well, do not you?—I have lived there all my life.

1447. Do you think there is any uniformity, looking at the different parts of Ireland—the east and west, the north and south, or the centre and the north; could you imagine a country in which there is less uniformity in what I may call the class of subjects for valuation in Ireland?—Yes; I think there is a great deal of uniformity in the subjects for valuation in Ireland.

1448. Do you think the means of subsistence along the west coast are at all like what they are in Meath and on the best lands throughout Dublin and the east coast; they are quite different, are they not?—Quite different; but I do not see how that affects the question of the rateable value of the portion of the country in the west or in Dublin.

1449. I will

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[Continued.]

Mr. Lough—continued.

1449. I will take how it affects the question in a minute. You will admit that there is a great contrast between the north and the centre?—Yes.

1450. The north comprises a great industrial community, does it not?—Yes.

1451. And the centre a vast quantity of land that is little better than bog land, or land on the edge of a bog?—Yes.

1452. And when you come to the quality of Irish agriculture, it is very different in different places, is it not?—Yes.

1453. Do you think these great contrasts which exist in different parts of Ireland would not make it desirable that the centralised authority should have the assistance of a local assessment committee in each part, to assist them in arriving at a fair valuation?—If I were bringing over a staff of English valuers to make a re-valuation of Ireland, and they were coming there fresh from England to do it for the first time, I should certainly say we ought to have local assistance; but where I am dealing with a staff of men who have been trained in the district—who have been valuing in those districts since they were appointed to my office—I think that I, through them, have got the necessary amount of local knowledge to deal with the cases.

1454. But they are men who go down from Dublin to do the work in the centre, and then go back to Dublin?—They come back to Dublin for a month or two in the year to finish up their work, but the greater portion of the year they are in the country.

1455. The same staff would go, perhaps, to Londonderry and to Meath, would it not?—As I explained on Tuesday, that is done as little as possible. We always try to keep the same men in the same locality.

1456. You think there is no necessity for calling in the assistance of men who spend all their lives in the different localities, and who know all the difficulties and the social condition and wealth of the locality?—We are always glad to get their assistance when we can; but I do not think it is necessary to have it further than we have it at present.

1457. You do not think it is necessary to embody them as part of the system?—I do not think so.

1458. You told the Chairman in your evidence-in-chief that the valuation affects, not only the local rates, but to a certain extent Imperial taxation?—To a small extent—yes.

1459. To a small extent; and you restricted, I think, the extent to which changes in the valuation affected Imperial taxation, did you not?—I do not quite understand your question.

1460. Did you tell the Chairman that there was no Imperial tax, except Income Tax, affected by the valuation?—And licence duties.

1461. I do not think you mentioned that before, did you?—Those are as far as I know the only two affected.

1462. You told the Chairman only Income Tax; I do not think you mentioned licence duties before?—I cannot remember. Certainly licence duties are affected.

0.25.

Mr. Lough—continued.

1463. Just a word about Income Tax; it is largely affected by the settlement of the valuation, is it not?—Yes.

1464. And if the valuations are systematically increased through every period on every class of property in every part of Ireland, that will largely affect the amount of Imperial taxation that will be raised in Income Tax?—To some extent it will, but not to any very large extent, because a great deal of the property that is valued in Ireland—in fact, nearly all the land that is valued in Ireland—does not pay any Income Tax at all under Schedule B.

1465. I put it to you that the tendency to increase the valuation is also to increase the amount paid under Income Tax?—That is so.

1466. That is all I want on Income Tax. Now we come to the licence duties; I think you did not mention those?—Before you go any further, may I just say this: If I did not mention it, I did so advisedly.

Chairman.

1467. My question related to Imperial taxation; you would not as a rule call licence duties in Ireland Imperial taxation?—It is not Imperial taxation, because the money that is paid goes to the local taxation account, and is credited to the district in which it is paid.

Mr. Lough.

1468. I beg your pardon; let us get that clear. You constantly mix up the English system with the Irish. In England the licence duties go to the local authority?—So they do in Ireland.

1469. Do you mean to say they go the same way in Ireland?—I am not quite sure whether they go in exactly the same way, but this I am perfectly certain of—that the licence duties that are paid in Ireland on account of the licences go to the credit of the local taxation account and are credited to the district in which they are paid.

1470. Are you prepared to state that to the Committee as a fact?—Yes.

1471. I think you said at the beginning you were not quite sure how they go, and if you are not sure I do not think you ought to state it?—I state the fact.

1472. Is not the way the licence duty is treated quite different in Great Britain from what it is in Ireland?—That question I cannot answer, because I do not know how it is done in England.

1473. In Ireland the licence duty does go direct to Imperial taxation and a certain grant, which is supposed to be the amount, but which is not the amount, is made to Ireland, so that any undue increase does go to the assistance of Imperial taxation rather than to the local rates?—I think, with all due deference, Sir, if you look at the Local Government Act, it is quite clear on that subject.

1474. You said the amount went to the local authority?—So it does.

I 2

1475. You

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[Continued.]

Mr. Lough—continued.

1475. You know that the Death Duties have greatly increased in Ireland in the last three years?—Well, I will take it from you, Sir.

1476. Are they affected by the increase of valuation?—As far as I know, they are not.

1477. But you have not any particular knowledge about that?—As far as I know, they are not.

1478. That is all I want to ask you about Imperial taxation. You agree that it is of great importance with regard to new burdens that may be thrown on the locality what the amount of the valuation of the district may be?—I said I thought it was most important that in each district the valuations should be relative one with the other, and that, therefore, it is most important that there should be a re-valuation of the towns.

1479. But if the valuation of the district is largely increased, that seems to open up a field for the imposition of burdens that might not be put on if the valuation was kept low?—I do not see any advantage in increasing the valuation for that purpose.

1480. Still, if it were increased, it might have that effect, might it not?—That depends upon the local authorities.

1481. But still they might be encouraged in that way to undertake expenditure which they would not otherwise undertake?—I hope not.

1482. There are laws, I think, which do not allow outlay to be undertaken if the valuation does not exceed a certain amount?—That is quite true.

1483. Then it is of great importance to local, as well as Imperial taxation, that the valuation should be fair and as perfect as possible?—I think so.

1484. Now, I want to come to the tendency of your valuation in Ireland. You said in your main evidence that the value of certain land had considerably appreciated?—Yes.

1485. You stated that your view generally was that land had increased considerably in value?—I do not think I stated that—no.

1486. I will read you what you said about it?—Might I ask the number of the question?

1487. No. 32. The Chairman put this to you: "And doubtless also in some other districts there will be cases where the value of land has depreciated"; and you said: That was so—"By reason of flooding and moving bogs, and that sort of thing"?—Yes.

1488. Now I put this question to you: Where there has been no flooding or moving bogs, or any natural catastrophe, do you think the value of the land has appreciated?—I really could not answer that question. Unless I knew every county in Ireland and every field in Ireland, I could not give you an answer to that question; in some cases it has appreciated, and in some cases it has not.

1489. Take it broadly (I am speaking of agricultural land), have not you got an impression as to whether it has increased in value?—Since what year?

1490. Since the completion of Griffith's Valuation in 1864?—Since the completion.

Mr. Lough—continued.

1491. Yes, we will take that first, because there was a great difference between the beginning and the completion?—I should say that since the completion it probably has not appreciated—the land.

Mr. Hemphill.

1491*. Since 1864?—1864 or 1865.

1492. Will you go the length of saying that it has depreciated largely?—I certainly would not. I would not express any opinion upon the subject, because I do not think my opinion would be of any value.

1493. Surely your opinion is the most valuable we can get; you are the value of all this land, and have been?—No, I have not been valuing the land. If I had been valuing the land my opinion would be of some value.

1494. I see; I will ask a question about that; I meant to come to that point really before: You say you have no authority to reduce the valuation of land?—No, nor to increase it.

1495. What does that rest on?—On Section 5 of 17 Victoria, Chapter 3, which is the annual revision section.

1496. So far as the land is concerned, you said, in reply to the Chairman, "No change legally can be made." That seems to me to reduce the value of your office altogether; there is no possible re-valuation?—Of land.

1497. Of land throughout Ireland?—Yes.

Sir James Hadlett.

1498. Can there be a separation of values provided the valuer finds that the value of the land is not increased?—Where tenements can be divided up, there is a separation of the value of land, so that each person will pay a proportion into the local rates.

1499. The area cannot be increased?—The valuation cannot be increased.

Mr. Hemphill.

1500. Take the value of the individual farm—land, tenements, and buildings, can that be increased?—Not unless the valuation of the adjoining one is diminished; that would mean where the man had taken an additional field. The valuation of the farm, unless it is increased in area, would not be increased.

1501. Therefore, the valuation of the same portion of land could not be increased—so I understood the whole of your evidence. I only want to see whether I am correct?—Yes, that is quite so.

Mr. Lough.

1502. When you were examined before the Royal Commission on the "Financial Relations," you admitted that the whole valuation of Ireland had been raised a million and a quarter, or something like that—so you stated that it had been increased?—Yes, I should think it very likely.

1503. How

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[Continued.]

Mr. Lough—continued.

1503. How do you reconcile that then with your present statement—do you mean that that is confined to houses?—All other rateable hereditaments, except land.

1504. You furnished a table to the Royal Commission, showing the effect of the re-valuation throughout every county in Ireland?—Might I ask you the number of the table?

1505. Table No. 4—that is a table showing the effect of the re-valuation throughout every county?—Yes.

1506. That table shows an increase in every county but one?—Yes.

1507. And the reduction in that county is only 0·03—that is the county of Waterford?—Yes.

1508. Between 1861 and 1891?—Yes.

1509. So that in every county in Ireland there is an increase more or less in the valuation?—Yes.

1510. I want just to take one or two of these counties. Take the County Monaghan: I see the population of Monaghan has gone down from 200,000 to 74,000 in the last 60 years. You have not, of course, that figure in your table; it is from the Census report?—The comparison here I see is between 1864 and 1894.

1511. Very well. You have not the population of that year, of course?—I am afraid not, of Monaghan.

1512. You know it has largely decreased?—I am not sure.

1513. It has largely decreased, yet the valuation has increased 1·9 in the same time in Monaghan?—Yes.

1514. So that, although the population has diminished in the proportion of about 2 to 5, still the valuation has increased?—Yes.

1515. Does it not strike you that there is any anomaly in that?—No.

1516. It is the same way all over Ireland—the population has gone down to nearly half, and the valuation has gone up by a million and a quarter, as you said?—Yes.

1517. You do not see anything anomalous in that?—No.

1518. Do not you think there are many fewer houses occupied in the rural counties of Ireland now than there were fifty years ago?—I cannot answer that question; but I can tell you that from the Census returns you will find that the class of houses in Ireland is enormously improved in every sense.

1519. I did not ask you that question. Do not you think that the 200,000 people would live in as few buildings as the 74,000?—I do not know, I am sure.

1520. Mills and industrial undertakings through the rural counties—both these have diminished in the last 30 or 40 years, have they not?—In the last 30 years.

1521. Or 40 years, say?—I do not know. On the whole, I do not think they have. A great number of new industries have sprung up, and are there to-day; there were not so many industries in Ireland 30 years ago as there are now.

1522. Take milling?—Milling has very much decreased.

Mr. Lough—continued.

1523. Latterly, in the rural counties there has been in connection with land a sort of rival valuation to yours going on; we just touched upon it on the last day. I mean valuation by the land Courts?—There has been the fixing of rents—yes.

1524. In connection with that there has been a valuation?—For the fixing of rent—yes.

1525. Well, it is a valuation; you need not qualify it, I think. We asked you on the last day to give us the particulars of how the values fixed by the Land Court contrasted with the values fixed by your department, and you said you had not the exact figures here. I think you gave a table showing that?—Yes; in the Financial Relations Commission.

1526. In the Financial Relations Commission, Table 8, page 434?—I did.

1527. Is that table you have a column showing how the new rents fixed compare with the valuations?—Yes.

1528. And you took the four Provinces of Ireland separately?—Yes.

Chairman.

1529. I presume this is a tenement value. I have not the table before me—it compares with the tenement value?—It compares with the tenement value—yes.

Mr. Lough.

1530. These were the rents fixed up to the 31st March, 1893, so it did not include any of the Second Term, which did not begin until 1896?—No.

1531. I see you have got the four Provinces separately, and in Ulster the new rents fixed were 8·96 below the valuation?—Below, yes.

1532. That is an extraordinary contrast with the other three Provinces. I will come to them in a minute. The rents fixed there were but little above the average?—Yes.

1533. Can you tell me why there should be such a contrast in Ulster? I will put it to you in another way: Do you think that the extraordinary anomaly presented by this table of years is accounted for by the fact that Ulster was valued at the end of Griffith's Valuation?—I think that accounts for it to a large extent.

1534. But still, looking at the whole of Ireland, the first rentals fixed up to 1893 made only 1·63 addition to the valuation?—Yes.

1535. That is your table; and the total reduction of rents shown in your table is 20·7 per cent.?—Yes.

1536. Now there has been a second reduction on the average of 18 per cent. in the rents all over Ireland?—Yes.

1537. So that the rents fixed must be greatly below the amount of the valuation that is fixed?—The rent as fixed, taking the whole of Ireland into account, is, I should say, decidedly below the valuation.

1538. Now about the towns. In your opinion, would it not be desirable that full discretion to reduce and re-arrange in every way the values should

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[Continued.]

Mr. Lough—continued.

should be allowed to any valuation authority that may be created for the future?—Do you mean for an annual revision?

1539. Whether annual or quinquennial—that they should have full discretion to reduce as well as increase (or to alter) the values in any way?—Yes, certainly.

1540. You have nothing to say in defence of the existing system; it does not permit changes to be made?—In regard to land.

1541. You have nothing to say in regard to land; you think it ought to be altered?—I think a re-valuation is necessary.

Chairman.

1542. You are not in favour of any stereotyping of a land valuation; that is really what it comes to, is it not?—No, I am not.

Mr. Hemphill.

1543. In reference to that, let me ask you one question: Supposing you had a power of varying the valuation of a particular farm in a rating area in a district, would not that put out of gear more or less the entire rate, because the rate is struck on a particular valuation of each farm, and each farm has then to pay according to that value? If you alter that value, then the deficit must be made up out of the other portions of the area. Do I convey myself to you?—Yes.

1544. I know in practice that that has happened in cases, and that a difficulty has arisen, and in one or two cases the Court upset the whole rate on the ground that the whole rate became unfair in consequence of the reduction of a particular premise, because if the rate was struck at 6d. in the pound, for instance, on the hypothesis of a particular value, and if a large farm in that district were reduced, then it follows that the man who had been paying 3s. 6d. in the pound ought to pay 4s. in the pound to make up the sum required. How would you remedy that?—I presume in saying that the Courts upset a particular case, you mean, in the case of the Belfast re-valuation?

1545. No, I am not speaking of that; I am speaking of a case you may recollect of a public-house in a street where an appeal was taken from a re-valuation of premises. A public-house took an adjoining house and threw it into the old public-house, and the consequence was that the valuation was raised. The publican appealed, and the question came before the Court of Queen's Bench, and the appeal was allowed. I am not questioning your action; I only want to know what remedy you would suggest?—Parliament has provided a remedy in the Local Government Act. Attached to the Local Government Act there is an Enactment Order which states that the local authority, when it receives the Valuation Lists each year can strike a rate on those Valuation Lists as it receives them, and if any changes are made on appeal afterwards, they will refund the money to the person if their re-valuation is reduced, or get from them the additional rate if it is increased on the appeal.

1546. That is under the application of 1899; I think that is when it came out?—Yes.

Mr. Lough.

1547. Would not the difficulty Mr. Hemphill mentions be removed if there was a complete new re-valuation of the district which came into operation all at one time?—And I am entirely in favour of it.

1548. It would be removed?—Yes.

1549. Before I leave the land and come to the cities, I want to ask you just one other question: You explained the basis on which you value land to the Chairman and to Members of the Committee; you said that you took rent, the value of the house, and so on?—I do not value lands.

1550. I beg your pardon?—I have not valued any lands.

1551. You do not make my statement about how the land was valued?—I did not make any statement as to how I valued land.

1552. Because you do not value land?—Because I do not value land.

1553. That is what I want to get at. Then practically there is no power of re-valuing land at all in Ireland—I think you have said so?—Yes.

1554. Then with regard now to cities: You have explained that the basis on which you go, as I understand it, is exclusively the rent that is paid; did I understand that?—On houses—yes—the rent is the basis.

1555. Is it the sole consideration that influences you in the valuation?—Where we have a rent, and find that it is the fair rent, that is the sole consideration.

1556. Do you make any deduction from the rent in fixing the value?—If the landlord pays the rates and does the repairs we deduct both.

1557. But you made no further deduction?—In Ireland we make deduction at present of a certain sum to make the particular re-valuation relative to the other valuations in the rating area.

1558. How much do you deduct?—It depends upon the district; it varies in every district in Ireland.

1559. About how much?—It varies from 5 per cent. to 33 per cent.

1560. Is that the same, so far as you know, as the system pursued in England?—I do not think there is any reduction to make relative in England.

1561. Is this description of rent which has been read by the Chairman, as set out in your statement, necessarily the actual rent that is paid?—No.

1562. This is really an expression to indicate that you are to find a sum which will be a sort of imaginary rent one year with another?—The fair rent—yes.

1563. A sort of fair rent—the rent which one reasonably be expected to be paid; but you are not to take the rent which an exorbitant landlord would demand, or which the tenant actually does pay?—That is quite true.

1564. You have to get another figure than the actual rent?—It may be the same as the actual rent.

1565. It

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[Continued.]

Mr. Lough—continued.

1565. It may be that you are to get another figure?—Quite so.

1566. Are you not generally governed by the actual rent rather than by this proper figure that is set out in the Act, which may be more difficult to obtain?—When I find that the actual rent is not that figure I alter it; but when I find that a man year after year pays a sum as rent for a particular holding, and that his neighbours pay practically the same sum for the same class of houses, I take that as being most likely the fair rent.

1567. But if you find that his neighbours do not pay the same sum for the same class of holding, what will you do then?—If I found they were holding in the same way (that is, year by year) I would say: There is some reason why this man is paying this extra rent, and I would endeavour to find that out, and if I found he was paying a rack rent I should reduce it to the same rent as that of the people alongside.

1568. Why should you trouble in the valuation whether it is year by year or on a lease?—Because a leasehold generally implies an expenditure by the occupier in addition to the sum he pays annually under his lease. If there is any such expenditure we have to ascertain that and add interest on that, provided it is on account of additional rooms or accommodation in the house; in fact, if it increases its letting value we have to take that into account as well as the rent he pays under the lease.

1569. Does a lease generally imply additional expenditure?—Very often it does.

1570. If you have no proof that additional expenditure is to be incurred in connection with the lease you make no additional valuation on account of the lease?—No, unless he has paid a fine.

1571. That is expenditure?—That is expenditure.

1572. Supposing you have five houses in a terrace all the same in the same street, will you value them differently on account of some different rents that may be paid regardless of the general valuation that you have of the locality?—No; if I found that the houses were of equal letting value, I should value them exactly the same.

1573. Have you seen this photograph?—No, I have not.

1574. How is it that houses which look externally the same, and are in the same street, have got a very different valuation?—I have explained already that there are thousands of such cases all over Ireland, and I have given a number of cases myself where they exist; until there is a re-valuation they must exist.

1575. Can you tell us why; can you account for it?—Yes, quite easily.

1576. I would like you to account for it.—Because the cases on which the higher valuations are, are cases in which we have made a re-valuation in the last few years; the others are cases which are never brought before us and where the old valuations remain.

Mr. Lough—continued.

1577. There have been great changes made in the value of licensed property in Ireland?—Not more than in any other property, rather less.

1578. There have been great changes in the actual value of licensed premises in Ireland, have not there?—I should say so.

1579. And a great increase generally?—I should say so.

1580. Do you think the increase has been as great in Ireland as in England. Probably you would not know that?—No, I cannot answer that.

1581. The law with regard to the granting of licenses is quite different in Ireland to what it is in England, is it not?—I do not like to express an opinion upon that; I dare say it is.

1582. There is less of a monopoly about an Irish license than there is about an English license, is there not; that is to say, licenses are granted with a greater freedom in Ireland than in England?—I should say they were; I should say so, but I do not know how they are granted in England or with what freedom, but I should say that they are from what I have read in the papers.

1583. Did you give evidence before the Royal Commission on Licensing on this matter in regard to Ireland?—No.

1584. Did you notice that it was brought out that the proportion of public-houses to population is far greater in Ireland than in any part of Great Britain?—I think I heard that.

1585. If the licenses are given with so much greater facility in Ireland than in Great Britain, ought that to affect the consideration of the value to be attached to licensed premises in Ireland, and to prevent them being increased in value so much as in England?—I do not think one can lay down a general principle; it depends entirely upon their letting value in different districts.

1586. Are not you quite familiar with licenses having been given up because they cannot be made to pay?—I have often heard of such things.

1587. And in some cases you have heard of a very large sum being paid for a license and then the property being taken into some other business altogether. Do not you think that that proves that there is no such special value attached to the license as the increased figure would lead one to think?—You mean that the sums paid for licenses and goodwill are more than they ought to be?

1588. More than they ought to be—yes?—I could not express an opinion upon that.

1589. That there is special value in the license?—I presume a man would not pay a large sum for a license unless he thought he was getting value for his money.

1590. Do you think these investments rest on so good a basis in Ireland as they do in England, so far as you know?—I cannot make the comparison.

1591. Have

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[Continued]

Mr. Lough—continued.

1591. Have not you got the figures by you of the increase recently made in licensed property either in Belfast or in Dublin?—I have no totals.

1592. I have got some figures here from Belfast. In 1881 a house valued at 95*l.* is now valued at 495*l.*?—Yes.

1593. And another house, then valued at 12*l.*, is now valued at 54*l.*?—Yes.

1594. Do not both these show a proportionate increase of about 500 per cent.?—Yes; or about that.

1595. Do you think that represents about the average increase in the last 20 years?—I should say in these cases it represents it, or these men would have appealed.

1596. I am not speaking of that. Do you think it represents the average?—My answer is, I think it does in these cases, or these men would have appealed and had their valuations lowered.

1597. I do not ask you whether there has been any injustice done, probably the Chairman would not allow that question to be put, but I ask you whether these two cases, the figures of which I have given, illustrate the order of things in the rest of Dublin or Belfast, in the last 20 years?—They can only refer to these two particular cases.

1598. I have others here which show the same sort of thing; in fact, I have 50 cases?—Are these the actual values on which they are paying rates now, because I do not think they are?

1599. Yes?—Are you sure they are all the re-valuation figures?

1600. Yes, the two figures I have given you are the re-valuation figures?—The re-valuation figures are still *sub judice*; I have not decided those figures yet.

Mr. Hemphill.

1601. As I understand they are not decided yet?—Not decided yet.

Mr. Lough.

1602. In some cases they are decided?—None of them have been decided yet. They are all in Belfast. The appeals are now before me, so that none of them are decided yet.

1603. Do you think that that about represents the general increase in Ireland?—Until I have decided the appeals I cannot say that, and in those cases I have not decided them yet.

1604. Leave any particular case out of your mind; I only suggest to you that these figures show an increase of 400 per cent. in the value of licensed premises all over Ireland?—That may be.

1605. Now I will come to the figures of the two properties I referred to. Before this re-valuation the one let at 95*l.* was 300*l.* in 1901?—Yes.

1606. And the 12*l.* one was 45*l.*?—Yes.

1607. That is, nearly quadrupled in both cases?—Yes.

1608. I ask you, do you think that that represents the growth in the valuation of licensed premises in the great cities of Ireland

Mr. Lough—continued.

in that 20 years?—Certainly not, but I think it represents the growth in value of these two houses.

1609. Then you cannot tell me about what the increase may have been in 20 years in licensed premises?—No, I cannot.

1610. It is very large?—No, I do not think it is so very large.

Chairman.

1611. I think your view, as I took it from you, was, not that there had been so much increase in the value of public-houses as that until under the present system you came to the Belfast re-valuation, they had escaped being put down at their proper value?—That is so.

Mr. Lough.

1612. I will give you a few more cases, I will read you out three figures, 1881, 1891 and 1901. The figures I will give you now are for public-houses and refer to these three years. I find here one 80*l.*, 150*l.*, 360*l.*; in the second house, 25*l.*, 40*l.*, 68*l.*; in the third 18*l.*, 24*l.*, 45*l.*; in the fourth, 18*l.*, 25*l.*, 37*l.*. Now I could read on but I do not want to trouble the Committee. You see they all bear a certain proportion of increase and that it has gone on regularly over the 20 years; I will just ask you this and then leave the question: do you think that represents the increase made in licensed properties in Ireland in the 20 years?—I cannot say at all. These may have been three or four houses which have been rebuilt altogether. Public-houses are constantly being rebuilt in Ireland and the valuation is doubled, but they are rebuilt at a cost of thousands of pounds. If you give me the particular houses you refer to I will give you the particular details of how the valuation was increased.

1613. In the case of every house I have seen it is about that; but would not you admit that there is a general large increase in the valuation of public-houses in Dublin and Belfast?—I think there is an increase, yes.

Chairman.

1614. In the value and the valuation?—In the value and the valuation. I presume in their case they were all below, or these men would have appealed.

1615. You have admitted that licensed property rests on quite a different basis in Ireland to what it does in Great Britain?—I did not say so, I think, except as regards competition.

1616. That is the point, the monopoly?—Yes.

1617. Then I ask you on what basis this great increase rests?—In most of these cases I should say it rests on the fact that the houses are being rebuilt, or improved, if not in all of them. We never touch a license valuation unless there have been structural changes; therefore, you may fairly assume that in every one of these cases either the house has been enormously improved or that it has been rebuilt.

1618. And apart from structural changes you never raise the value of the license?—No, because it is never brought before us by the rating authorities.

1619. But

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[Continued.]

Mr. McKillop.

1619. But a structural alteration may raise the value of a house although there may be no addition to the floor space?—Yes, structural alteration, not an alteration of fittings, but a structural alteration.

1620. You put no extra valuation upon the structural alterations if it is fittings only?—If it is fittings only it is not brought before us; we do not value in that case.

Mr. Hemphill.

1621. Perhaps you would shortly state the general principle on which you value licensed houses in Ireland, because that would facilitate us very much in understanding the cross examination, just a short summary?—Up to the present?

1622. Up to the present in conformity with the law; under the existing law what is the process for valuing a licensed public house in Ireland?

Chairman.] Let us make that quite clear, that is under the existing law prior to the Belfast valuation.

Mr. Hemphill.

1623. Yes, we will put Belfast and the county boroughs, the general law of Ireland?—What we have done in the past is simply to value every public-house exactly the same as if it was an ordinary shop; we have put nothing additional on the value for the license.

Chairman.

1624. Now just to make it complete: what did you do in the Belfast re-valuation?—In the Belfast re-valuation we put a certain sum additional for the value of the license.

Mr. Hemphill.

1625. I have not the Act before me, but you will tell me at once: was there anything in the Act under which Belfast was able to call for a revision enabling you to alter the system in that way?—There is nothing in the Act with regard to licenses.

1626. Therefore it merely entitled you to have the re-valuation of licensed houses, and it did not indicate any change otherwise?—No.

Mr. Lough.

1627. You stated to us that you value the shop without the license. Supposing that suddenly that shop gets a license, you do not increase the value on that account?—No.

1628. You just treat the public-house like any ordinary business?—Yes, we take the letting value of the building as it stands.

1629. Now we come to my figures; you see you have prepared the way now for me to refer to these figures?—Yes.

1630. Let us take one of them. I will take the first figure in 1881, a certain house is valued at 95*l.*; in 1891 it was valued at 150*l.*, and in 1901 at 360*l.* That is not the recent re-valuation, but that is what it was fixed at in 1900; the re-valuation was 493*l.*, which I did not read. Your statement now is that, owing to some structural change, this house has increased from 95*l.* to 360*l.*; I ask you on what principle

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Mr. Lough—continued.

you put a larger value on some portion of, or addition to a house, than on the whole house?—It has been rebuilt, I am sure.

1631. It is rebuilt on the same site?—Yes; but it is rebuilt.

1632. I ask you then on what principle you get such a large increase as 400 per cent.?—That is not the principle. The principle is laid down in the Act.

Chairman.

1633. It is not the principle at all; it is the particular facts of that house, as to which you may have been right, or you may have been wrong. I think I am right in saying that you have explained to the Committee perfectly clearly that, so far as the value of the license is concerned, apart from the premises, you never did in Ireland put on anything for that until you came to the Belfast re-valuation?—Yes.

Mr. Charles Douglas.

1634. Does the existence of the license for premises increase their letting value?—In the past; has it been the custom, you mean?

1635. No; does it increase the letting value as apart from the valuation?—Oh, it does.

1636. So that in that way there is an additional rate?—We have not taken that into account.

1637. In the market it does increase the letting value?—It depends entirely upon the way you take it. Perhaps I had just better explain the two cases. There are two ways in which a man comes into a public-house; either he takes that house as it stands and gets a license for it, or he takes it with the license and pays a sum for the license and goodwill.

Chairman.

1638. Pardon me for interrupting you, I see what Mr. Douglas is on and it is not that a bit. What he wants to know is simply this: In Ireland if you have two houses exactly the same, one with a license the other without, would the one with the license get a bigger rent in the market than the one without?—Yes.

1639. Or, take it in another way: Suppose a certain house had not a license and had a certain rent up to 1901, if in the year 1902 it got a license would it in the market as a rule fetch a higher rent?—It would, but that higher rent we do not take into account.

Mr. Charles Douglas.

1640. One more question following that: Does that extra rent have any effect upon your valuation for rating purposes?—It should not.

1641. It does not?—No.

Chairman.

1642. It had not until the Belfast re-valuation?—Quite so.

Mr. Lough.

1643. Then I will leave this public-house license with one other question: You say that all these changes, and such changes as I have mentioned, during the last 20 years in the value of licensed property in Ireland are owing solely to the reconstruction of that property?—The structural changes.

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1644. The

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[Continued.]

Mr. Lough—continued.

1644. The structural changes in that property and not to any value put upon the license?—Yes.

Mr. Hemphill.

1645. Perhaps before you leave the subject of the license I might ask you this question: On what grounds do you now under the re-valuation of Belfast, feel authorised to put a value on the license? I am sure there are good grounds for your doing it, but I want to know what they are?—There is no question in my mind that the value of the license should have been taken into consideration in the past when fixing the valuation; but in order to make valuation relative, my predecessors and I have not taken it in, because as you will see it would be unfair in a revision of certain portions of the country—or certain houses in the country—to put an additional value on particular buildings such as licensed houses; therefore we have not taken into account the license in the past, but when there is a re-valuation of the country made, I feel it my duty then to carry out the law as I consider it is laid down.

1646. For the last 40 years as I understand, the license has not been taken into account all over Ireland, by Sir Richard Griffith, for instance, who was the first Commissioner of valuation?—At the time the valuation was made they were not valued at all in England or Ireland.

1647. The license was not valued?—No, not in England or Ireland at that time.

Mr. Lough.

1648. I will leave the question of license. Do you think the primary lists on a re-valuation should be printed in a book for sale and that every facility should be given to the public for access to them?—The lists as they are sent out by us are issued to the rating authorities, and they are open to the public; the public can go and see them and take any extracts they like from them, anyone in the country who wishes an extract showing his valuation, or anybody else's valuation, on applying to us can get the same on payment of a small fee for the cost of copying it.

1649. Then you think there is no necessity to print these lists?—I think it would be an enormous cost, and it would take some months to do; neither we or the rating authorities could give up the books to have it done, and I do not see any advantage in it when a man can see the valuation by applying at the County Offices for it.

1650. Did you state before in your evidence, that you thought houses ought to be valued only, even although no structural change was made?—I think there ought to be a provision by which the rating authorities (indeed, there is a provision now) should bring before us all cases where revision is necessary even though a structural change is not made.

1651. Would you think that necessary annually where no structural change was made, or would a quinquennial valuation be sufficient?—I think the other is better. The

Mr. Lough—continued.

rating authorities would not bring it before us unless there was either a structural change or some change in the locality.

Mr. Hemphill.

1652. Then would you take into account the deterioration of the houses by the lapse of time; some of the houses in different places are very old, and every year they become worse?—And they at once apply to my office for revision, and at once their valuation is lowered if their letting value has gone down.

1653. From mere wear and tear, do you mean?—Yes, which means that the house has become less valuable in the market.

1654. Then, of course, the effect of a re-valuation would be to reduce the value of houses all over Ireland; they are all getting older?—Well, a year or two's wear and tear of a house if it is properly kept up would not, probably, affect the valuation.

Mr. Lough.

1655. In 1895 you valued the Belfast tramways at 7,717?—Yes.

1656. In 1901 at 16,079?—Yes.

1657. Then there was an appeal made?—Yes.

1658. And you reduced that valuation to 10,397?—Yes.

1659. On what basis was the high valuation fixed, and what led you to make the reduction?—The reduction was made because when the first valuation was made I had not from them certain information which they gave me on appeal, and which caused me to reduce it to the 10,000.

1660. Was it you who had made the high valuation or one of your staff?—I cannot recollect just at the moment.

1661. I believe the general valuation of Belfast was increased about 25 per cent on the re-valuation of which we have spoken?—I think something like that; yes.

1662. Is it true that only half the properties of Belfast were touched in the valuation; that you did not touch the small properties at all?—We re-valued every house in Belfast—85,000.

1663. Is it true that you did not change the value of more than half of them?—I cannot tell you how many we changed the value of; that I cannot tell you at all.

1664. When had there been a re-valuation of Belfast before?—There had never been a re-valuation of Belfast since Sir Richard Griffith made the original valuation, so far as I know.

Sir James Hadlett.

1665. Just a word or two about the principle upon which you value railways. I quite agree with you that a central authority is absolutely necessary in dealing with such large things as railways, which pass through various districts; but how do you value railways—is it upon the ground they occupy, or are you influenced in the valuation by the profit they make?—We are influenced by the profits.

1666. And how do you distribute that profit? Is it over the mileage of the railway, and is it equally

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equally distributed?—It is rather an intricate subject, but I will try to make it as clear as I can: A valuation of the whole system is first arrived at by taking the annual receipts and taking from that amount the annual expenditure; we then arrive at what may be called the net profit; certain deductions are made from that net profit for renewal of the landlord's portion of the line—that is the permanent way, fixed plant, etc., and certain deductions for what may be called the tenant's profit, the tenant's portion of the line, the rolling stock, the stores, the movable machinery; those allowances are taken from the net profit. The balance is then divided between the different portions of the line in this way: First, the valuation of every station is made by itself.

1667. You mean the buildings?—The buildings, the turntables, the sheds, the sidings, and the platforms just as they are, and the values put on each station; the total value of all the stations is added together and deducted from the sum given as the value of the total line. The remaining portion is divided between the rating areas in this way: The railway is first divided up into what may be called zones of traffic from the starting point of the line. The first zone would be, probably, to the first big town, or to the first junction; the next zone would be, perhaps, to the next junction; then each branch would be a zone. Such a line as the Great Southern and Western would have, perhaps, some 30 or 40 zones of traffic. We ascertain from the railway company the number of train miles run by passenger trains and by goods trains for two typical months in the year—summer and winter—on each of these zones, and the total valuation of the lines, less the stations, is divided up amongst these zones, in accordance with the number of train miles run. Those train miles may be more or less adjusted if there is a special traffic, such as fairs or otherwise, in that particular district. We have then got the sum for each zone; and that is divided by the number of yards in the zone, and a rate per yard is then arrived at. That is generally brought out to five places of decimals. The length of railway in each rating area of each zone is then taken, and the sum allocated to each rating area according to the length of railway in each zone it contains.

1668. Do you apply the same rule to canals?—No; the traffic in Ireland is so small on the canals, and the amount to be divided between the different rating areas is so small, that I have merely gone on the mileage up to the present.

1669. And if you found that a canal was not paying anything, but was worked at a positive loss, would you put any valuation upon that?—We would merely put the original value of the land and the value of the buildings.

1670. But the profit enters into the system of valuation in both cases?—Exactly.

1671. Profit or loss?—Yes.

Mr. Hemphill.

1672. I suppose, under the Act of Parliament, you are obliged to take the profits into account on railways?—Yes. The same principle is adopted here, except that in England they do

Mr. Hemphill—continued.

not have the same principle of division. It has been recommended by the Local Taxation Commission that the Irish system should be adopted.

Sir James Haslett.

1673. You have answered a question as to the existing valuation of Ulster; but, coming to the valuation of houses (say) within cities, you differentiate between a house that has a lease and a house that has not a lease, but you try to arrive at the present letting value?—Yes.

1674. If a lease exists in a district where the value has gone up considerably, you do not estimate that in your valuation—at least, you are not governed by the rental in that lease, but rather by the present letting values of houses that have been recently let?—Yes, of the property as it exists at the moment.

1675. As it exists at present?—Yes.

1676. A very important answer was given by you. Suppose that in a street, say, of 30, 40, or 60 houses some exceptional tenant has come in, and given an exceptional rent for an exceptional trade, do you allow that to govern the general rental of that district?—No.

1677. Supposing, for instance, that you have a general shop district, and that a railway company comes in and, in competition is able to give a much larger rent than any ordinary merchant who was engaged in an ordinary trade, do you allow that to govern you in the valuation of other premises?—No.

Mr. Lough.

1678. You do not raise the valuation of that particular premises either?—No, not if we find that it is for some special purpose, and that the rent given is above the market value, taking one year with another.

1679. You do not allow then the exceptional rent to alter your general valuation?—No, certainly not.

Sir James Haslett.

1680. When you come then to deal with the question of villas—say that one villa has got an acre of ground, and that another villa close beside it has got probably less than a rood of ground, how do you deal with these two villas? Do you estimate, in the first case, the value of the acre of ground, and in the other case the value of the rood of ground, and then the supposed value of the buildings that are upon them?—I take it you refer to a case in which there are two houses of equal value, the one built on a rood and the other built on an acre.

1681. Precisely?—We would value the house as it stands, and we would add to the house that has the acre a certain sum per acre as the value of land in that locality, or the letting value of land in that locality.

1682. But only as the letting value of that land?—Yes.

1683. Within the extended area of the city where you find farms, how do you deal with those farms; do you give them the city value or the purely agricultural value, or is your value influenced by what the possibilities of that farms might be when converted into building ground?

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[Continued]

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—No, I do not give them the city value, nor do I give them the purely agricultural value, but I give them the value that they are to the farmer there in the particular position in which he is situated. If he has increased facilities for getting rid of the produce of the farm he can let the land at a higher rent than he could if it were 10 miles farther away. Those points are all taken into account, and I do not put on the ground rent value (if I may use the word) for "the city value."

1684. In large cities, how do you deal with parks—do you take them as agricultural ground?—Public parks have always been exempted.

1685. They do not enter into valuation at all?—We put a value upon them, because we have to value every hereditament which under any circumstances might become rateable, but we exempt them.

Mr. Hemphill.

1686. The "College" Park, in Dublin, is not a public park, but it occupies a great space in the centre of the city?—It does. It was valued a great many years ago—I cannot give you the exact amount of the valuation, because it was valued before my time.

1687. It is valued by frontage, I think?—Certain taxes are payable on the frontage under a special Act of Parliament.

Sir James Haletts.

1688. Then when you come to recreation grounds, which have become almost a necessity for the use of the youth of a large city, or for the people of the large cities, do you value those at the utmost value of the land (probably as building ground), or do you value them as recreation grounds, or as farming grounds?—If the recreation ground is open to the public, and free for the use of the people, I would exempt it; if it is a ground such as a cricket ground or a golf links, where there is a certain sum paid by the members to become members of the club, and it is a private ground, I value it on a very low percentage in cases where it lies near a town, and where it is used for the recreation of clerks and others in the town.

Mr. Lough.

1689. A low percentage on what?—A low percentage.

1690. Of what?—The annual value; instead of taking it at the full amount, I would take it at a reduced amount.

Mr. Hemphill.

1691. Is it on that principle you would value cemeteries also?—Well, cemeteries are generally exempt, except such cemeteries as Mount Jerome and Glasnevin.

1692. A question did arise about those, did it not?—It did.

1693. What was the principle decided?—The principle upon which I valued Glasnevin (which was confirmed by the Courts) was the receipts and expenditure with certain allowances.

Sir James Haletts.

1694. Of course, you are aware that railways and canals are subject only to a proportion of taxation?—Yes.

1695. I think it is one-fourth?—Yes.

1696. Would you suggest that in any alteration of the law the recreation ground should, in some extent, if not exactly, similarly situated; that is, that in view of its being a lung for a great city, and in view of its being an outlet for the people, even though it were a club ground, in view of the general welfare of the city, as a lung of the city, it should be subject to only a proportion of tax; would you suggest any alteration?—That would meet practically what I have done, or intend doing, in the re-valuation—I think it better perhaps to leave it as it is—for this reason: The Commissioner would be able to consider each case and how far it answered the description you have given.

1697. In re-valuing the City of Belfast, you say that up to the point of your re-valuation—which we will call the time of the Re-valuation Act, and which was done at the request of the Corporation under the Act of 1898—you did not take into account the value of the license in connection with a public-house?—That is so.

1698. In taking into account the value now in Belfast, and in increasing correspondingly the value of all public-houses within the city, would there not be a serious injustice done to the publican, whatever we may say about his trade, or any trade, whatever it may be, within the area of the city, and the publican who is outside, and probably only a yard or two outside, the borough?—No; I do not think so, and I will tell you why: Presuming there is no change made in the valuation of the public-houses as shown at present (on the re-valuation, presuming that, without either lowering it or raising it; probably it would be lower, but we will say that it stands as it is) the total value of the houses is 16,533*l.* out of 63,303*l.* value of licensed premises.

1699. That is about 25 per cent.?—That is about 26 per cent.—that is to say, about one-fourth. At present, in the case of every license in Ireland the licensing authorities, when they are fixing the duty to be paid, add one-fifth to the rateable valuation in arriving at the valuation on which they assess the duty. In Belfast they will not add that one-fifth.

Chairman.

1700. You say they will not add that; do you mean in Belfast under the new re-valuation?—Yes, under the new re-valuation. I should have said so. In Belfast, after the new re-valuation comes into force they will not add one-fifth.

Sir James Haletts.

1701. But why—are they limited? It is by Statute that the Excise authorities add the one-fifth?—They have power to add it, or not, in the Act.

1702. But what is to stay their power?—I think I put forward the letter that they wrote to the Department, saying that when the valuation in Belfast was raised to the statutory valuation they would not add the one-fifth.

1703. Another

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[Continued.]

Sir James Haslett—continued.

1703. Another king may arise that does not know Joseph. That is merely your interpretation or application of the Act. Suppose that their hands are not stayed by any statutory power, what is to hinder them in addition to year raising the valuation, to add still the one-fifth? The fifth was, I presume, in consequence of the low valuations of Sir Richard Griffith?—Yes.

1704. I am aware of that?—Yes. Well, I think Parliament would prevent them doing it.

1705. You think that in any recommendation that we make we should clearly deal with that exception?—I think so.

1706. There is just one other point as to exemptions. These are left exclusively, I understand, to the judgment of the valuer?—They are left to my judgment in the reading of the Act.

1707. Now I come just to the crucial point that I am very anxious to get at. Could you suggest to us any alteration in the Act of 1852—in the wording of that Act—which is dealt with here by the Lord Advocate? That is practically the point we are dealing with, the actual rent. When you fix a rent, suppose that you come to a house that is let at 50*l.* a year, what do you deduct from that—an ordinary tenancy, a dwelling-house, say, in which the tenant lives and pays 40*l.* a year; an ordinary house, you find many of them in Belfast, and I may take that as a typical house?—Yes.

1708. In estimating the value of that (the tenant pays 40*l.* from year to year), what would you value that house at?—Does he pay the taxes?

1709. And he pays the taxes?—And the landlord does the repairs.

1710. And the landlord does the repairs?—Well, I should say the statutory value of that house is 40*l.*, minus a reduction for repairs.

1711. Is there any general principle upon which you apply that deduction—that is, suppose that you get a new house, does the lapse of years increase that deduction?—Yes; combined with the way in which the house is kept up. Of course, in the case of some houses the lapse of years does not increase it to the same extent as in others. If the house is let go to the bad, more or less, the deduction becomes much heavier.

1712. Supposing you took a house five and twenty years old, roughly speaking, what would be about the value of the 40*l.* house?—From 32*l.* to 33*l.*

1713. That is in round numbers about 20 per cent. below the rental, roughly speaking?—Yes, 16 to 20 per cent.

1714. And I suppose you are aware that it takes pretty much that to keep it up?—That is the idea.

1715. In valuing Belfast, I think, probably, you have been charged with sins that were all sins of commission. Have you in many districts lowered the valuation, and very specially in the case of small house property—small tenancies?—In the re-valuation?

1716. Yes?—Well, I am not quite sure of that, but I should say it very likely has been the case. I think the general tendency has been to lower rather than to raise.

Sir James Haslett—continued.

1717. Now I come back again to the exemptions. Would you not feel that there ought to be some better description than there is to guide you in the question of exemptions?—I do feel it.

1718. And could you suggest any better verbiage—any better wording—than we have in the Act of 1852 "For religious and educational purposes"?—I should certainly strike out the word "public" in the Irish Act.

1719. You would strike out the word "public"?—I would.

Mr. Hemphill.

1720. Why would you strike out the word "public"?—Because the Courts have held that that word "public" includes a great deal of property, which, to my mind, ought equitably to pay rates, such as harbour property; it does pay rates in England, and I think it ought to pay in Ireland.

Sir James Haslett.

1721. Suppose you get an institution that carries on a trade actually, benevolently—enters into the ordinary occupation of trade—I think you exempt that institution, while the merchant carrying on his business side by side with it is called upon to pay his quota of taxes?—Yes.

1722. Does not that appear to be an anomaly?—I do not think it ought to be exempt. My own opinion is that if there was a re-valuation, that would not be exempted.

1723. Then you think there should be some additional change made in the principles of exemption—or is it rather in the practice, or carrying out, or both?—I think more or less in the practice and carrying out.

1724. The rating authority has frequently tested these questions?—Yes.

1725. And, of course, when there is one decision, they try to follow out the spirit of that decision in their ordinary administration?—Yes.

1726. Does it not strike you that where a benevolent institution enters into ordinary commercial transactions, and competes with the ordinary merchant or commercial man, that there should not be an exemption?—I think they ought to pay some rates.

1727. Would you suggest that we should come to a recommendation of proportional rating?—I think so. Well, either a proportional rating or a proportional valuation—one of the two.

1728. A proportional valuation is difficult, because they might give up the shop, and then the value of the shop would have to be changed?—Yes; but that would be quite easily done under the valuation, because that case would be at once brought before me by the rating authorities, and I would at once change the value, and exempt the institution and rate the shop.

1729. Suppose you had got to make a re-valuation, of course it would have to be done piece-meal?—Yes.

1730. How would you propose (for I think that is left to us here) to make it operative—I have

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[Continued.]

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basis on which land is to be valued must be have not heard any question upon that subject? You are aware that in the recent re-valuation of Belfast—notwithstanding all that has been said here with regard to the instructions—that valuation cannot come into operation so long as there is a single appeal unheard?—Yes.

1731. Does not that appear a very cumbersome machinery?—I think that that should be certainly changed. I think that the Adjustment Order, which I referred to before—which was passed in 1900 (I think it was 1900, in connection with the 1898 Act—should apply.

1732. 1900?—1899 I think it was; I think that that Adjustment Order should apply to a re-valuation as well as to a revision. It was intended to apply to the re-valuation, but it has been held that it only applies to the revision, and I think it ought to be made to apply to both.

1733. Suppose you had all these high valuations made, and that a large number of them were appealed against by that Order, the parties would have no right to retain their rates pending the appeal; they would be obliged to pay them?—Yes.

1734. Then, of course, the adjustment power comes in, the governing authority, the corporation, or whatever it may be?—Yes.

1735. Might there not be a serious injustice done in that way; a man might die before his appeal was heard?—The property is there; the appeal is on account of the property, not on account of the individual.

1736. Yes it is; but it is the individual who has paid the rate?—Yes; but then, whoever was the owner of the property, whoever succeeded him would get the benefit.

1737. That would scarcely be much advantage to the unfortunate man's family who had got out, having paid the rate; he would have paid the current rate for the year, say on a hundred pounds, and on appeal the premises might be reduced to 70*l.*; the 30*l.* would be adjusted, but that unfortunate man would be gone. I mean if it were spread over a number of years?—I think that is assuming that it would spread over a number of years; I do not think that is likely.

1738. You are not very hopeful of the 8,000 pending appeals being settled before March?—They would be settled before then if it were not for this Act. I do not think there will be very many go to the Courts.

1739. That will depend upon you, I suppose, to a large extent?—Yes.

Mr. Lough.

1740. "If it were not for this Act," you say;—but do you mean by that?—The Act that was passed the year before last.

Sir James Haslett.

1741. Just following out the licensing question, you heard that very excellent Scotchman who came up here from Glasgow (I think I am right in giving his words—I have not referred to them) state that no part of the value that passed between tenant and tenant went to a landlord, and that they did not enter into any question of the valuation of a licence?—Yes; I re-

Sir James Haslett—continued.

member his saying that, but in the next sentence he said that they took into account the increased value of the premises due to the licence. This is the question and answer (No. 686): "As a matter of fact, does a licence enhance the value of premises?—(A.) It does; a licensed shop always brings a much larger rental—a third or perhaps half more rental—than any other shop in the locality."

1742. Is it because the article dealt with is such a restricted article that you value in Belfast premises in which the trade is carried on higher than the same class of premises in the same street used for another trade?—We, in the re-valuation, value on the basis of letting value with the licence attached.

1743. That is because it is a restricted trade?—Yes, because it is an increased value that it owns owing to the licence being attached to it.

1744. I hope you will not extend that to all restricted trades; I hope you will not carry it to my business?—I carry it to only licensed premises.

1745. I require a licence for carrying on my trade as a chemist?—It is quite different.

Mr. Hemphill.

1746. In point of fact, in putting a value on the licences, are not you putting a value on the profits which the publican makes? Is it not by reason of that that the licence enhances the value of the house, because of the profits that are made by the publican?—Because of the profits—yes.

1747. Is it not against the principle of all local taxation to tax anything in the shape of personal property or profits. In taxing the value of the licence, no matter whether it is done in England, in Ireland, or in Scotland, are not you, in point of fact, taking into account the profits which a particular trader makes in a particular house, and are not you rating him on those profits?—Yes, I think you take into account the particular trade carried on in that house, but not the particular profit due to the ability of the man who carries it on.

Chairman.

1748. You have had a very long cross-examination; could you, in a sentence or two, sum up what your proposals or recommendations for the future really are?—I presume what you wish me to state is what changes I think are desirable in the present valuation laws in order to carry on the work successfully?

1749. Exactly?—The first change that appears to me to be desirable is that provision should be made to enable the Re-valuation Lists to be acted on at once by the Rating Authorities when issued to them, or after the first appeal had been dealt with by the Commission, the adjustment of rates consequent on any changes through appeal to be carried out as soon as each case is settled—this adjustment to date back to the first rate struck on the Re-valuation Lists. Otherwise any ratepayers who were dissatisfied might, and probably would, through appeals to the Courts, delay the coming into force of the new Valuation Lists till they had become obsolete and ineffective. (2) The

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fixed. When dealing with this point, it will be found advisable to amend certain provisions in the existing Valuation Acts, so as to provide that power should be given at the annual revision in certain special cases to increase the valuation of land where it can be shown that, through a reclamation or main drainage scheme, any holdings or parts of holdings have been increased in value; and *vice versa*, when land has deteriorated through erosion by the sea or by moving bogs, that the valuation may be decreased. (3) There is at present no power to place an increased value on land where the letting value is increased through its suitability for rearing game, although fisheries can be and are now valued. This should be provided for. (4) At present farm outhouses or office buildings do not come into the Valuation Lists for seven years after their erection. As this provision bears hardly on the other ratepayers in the district, and does not appear, under existing conditions, to be justifiable, some modification of it would be advisable. (5) In any future legislation it would be desirable to give the Excise Authorities power to put cases on the "Lists for Revision of Valuation" sent by the local rating bodies each year to the Valuation Department. The power to enter cases for revision is, at present, confined to the rate collectors and individual ratepayers. (6) The recommendation of the Royal Commission on Local Taxation that the appeal from the Valuation Lists, in so far as the question of value is concerned, should stop at the award of the Commissioner of Valuation, would, before adoption necessitate a further change in the Valuation Acts. The knowledge that large structural changes or rebuilding will probably result in an immediate increase in rateable value deters many owners of business houses from making improvements, a result which, in my opinion, is a serious deterrent to the progress of the country. In any future legislation a remedy for this state of things should be found. Some provision by which, in the case of new and improved business premises where the local authorities approve, the new or largely improved building, the increase in valuation might be spread over a period of three years (i.e., one-third of the additional valuation to be added each year), would probably meet the case. A similar rule might be adopted in the case of farm buildings. I think those are the only things I wish to suggest.

Mr. Lough.

1750. Going back to the second proposal you read, are you prepared to insert "decreased from any other cause," other than erosion by the sea or moving bogs, such as agricultural competition, fall of prices, or anything else?—No, I would not be prepared to insert that, because that would mean that the whole of Ireland would have to be re-valued every year owing to the fact that prices go up one year and down another.

1751. I do not think that is a satisfactory basis at all?—What I wanted to bring forward in this was, where it would be a special case,

Mr. Lough—continued.

where it would be a hardship to the particular person.

1752. You do not mean any increased agricultural value such as is shown by the courts?—For the whole re-valuation of Ireland, no; unless it is a special case.

Sir James Hailet.

1753. You very properly say you think an improving tenant should not be taxed unduly. Supposing that a man wants to put in a fresh window to improve his premises though the cubic contents are not altered and though the frontage is not altered, do you think it is reasonable that he should be charged an extra value because of that improvement?—The house is measured up, the rent is ascertained, and if it is found that the house is not increased in value at all I should certainly put no increased valuation upon it; but if when we come to revise a house we found that the house had not been (perhaps) valued for 20 years and was only valued at 200, while the next house was valued at 400, I think it would be a great injustice to other ratepayers if that was not put up to 400, too.

1754. You think that power should be retained?—I think it would be very unjust to other ratepayers if it was not.

1755. Do not you think it would be far more open and above board to give power at once to send in and have it re-valued?—That power does exist.

1756. We only arrive at that now by a recent decision?—Once having been carried out such a thing can never occur again.

Mr. Lough.

1757. Before you leave the "land" let me ask you this question: Do not you think that any case for a re-valuation, speaking broadly, of land in Ireland that may arise may increase or decrease by reason of prosperity in agriculture?—I think there should be a re-valuation of the whole of the land in Ireland every series of years, but I do not think every year, because in the annual revision you could take into account exceptional cases; I would only take the exceptional cases every year.

1758. Then you have not put in, in your recommendations, that there should be the re-valuation every series of years?—I am coming to that if I may. The decisions in the Law Courts have left the question of what property is to be exempted from rating in Ireland in a very unsatisfactory state, and in any future legislation on this subject it would be most desirable to define this point more clearly. Outside the persons directly benefited the opinion is almost universal that the exemptions should be largely restricted, and the Report of the Royal Commission of Local Taxation strongly supports this view. Provision should be made for a general re-valuation at fixed periods. Provided that the local rating bodies bring under notice each year all cases where a revision is required. I do not consider a general re-valuation would be necessary more frequently than every 30 years in rural districts, and every 20 years

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Mr. Lough—continued.

23 years in cities and towns. Special provision might, however, be made for the case of rapidly growing towns where, at the request of the local rating authorities, the period should be reduced to 10 years.

Mr. McCann.

1759. Do not you go in for the general re-valuation of Ireland immediately?—Yes, but after that I think every 30 years would be sufficient.

1760. These recommendations do not contemplate the general re-valuation of Ireland?—Yes, that last one does.

1761. The other ones?—The other ones are necessary. Changes in the law should be made before they could be carried out.

Mr. Lough.

1762. You mean a re-valuation without any restriction upon you as to reduction or increase?—Yes, certainly.

Mr. ROBERT RUSSELL, called in; and Examined.

Chairman.

1763. You are, I think, the Secretary of the Licensed Grocers' and Vintners' Protection Association?—Yes.

1764. Also Secretary of the Central Committee of the Liquor Trade of Ireland?—Yes.

1765. The former body is composed chiefly of members of the retail trade in Dublin, and is supported by them, and by the wholesale and manufacturing firms throughout Ireland?—Yes, that is so.

1766. The latter body is composed of delegates from the various counties of Ireland, and representatives of all existing trade organisations throughout the country?—Yes.

1767. I think you have been attending closely to the proceedings of this Committee?—Yes.

1770. And you wish to give a view upon the question of the desirability and propriety of putting a value upon licenses in connection with premises?—Yes. We think that licenses ought not to be valued; and we base that contention upon the difference of the conditions of things in Ireland and in England. In Ireland under the Licensing Acts we enjoy what is not enjoyed by the licensed trade in England, namely, a vested interest. Owing to the existence of this vested interest the bank in Ireland takes the place of the brewer in England.

1771. By "vested interest," I suppose you mean that as a practical matter your license is not taken away from you?—It cannot be taken away except upon two grounds, namely, unsuitability of premises, and character; and the money at present invested in licensed property we contend has been invested under well defined circumstances as regards rates and taxes, and license duty.

1772. Just let me understand: Do you put it that it cannot be taken away. I mean do you put it as high as this, that *Sharpe v. Wakefield*

Mr. McCann.

1763. There is one other point. The Fry Commission reported that there were 367 tenants in Ireland whose valuation was under 30*l*. The re-valuation for those I take it would be about 40*l* each. According to your principle of re-valuation, taking the valuer's report, I think their valuation would be increased rather than otherwise?—I could not say that at all.

1764. Do you see my point?—Yes, but it would be impossible to say whether they would be increased or diminished until I examined each case. As I have said before, I do not think the value of land in Ireland generally would be much altered from the present if there was a re-valuation, but I could not say more than that, generally. I just want to hand in this Table to supply the figures which Sir John Colomb asked me for on Tuesday. It shows the prices of certain articles of agricultural produce as set out in 15 & 16 Vict. c. 63, s. 11, and as shown in a Return prepared by the Department of Agriculture, &c. for the year 1901. (The document was handed in, *vide Appendix*.)

Chairman—continued.

is not law in Ireland?—It does not apply in Ireland.

1773. You put it entirely upon that, not upon practice?—Entirely upon that. There is no instance where it has been taken away, but there are several instances where the Courts have refused to take it away.

1774. Very well, go on. Then we say that to alter these circumstances would certainly jeopardise the capital invested and we think that all existing contracts should be respected; and then there is a further ground.

1775. One moment, let me follow that. You have said that that is the difference of circumstances between England and Ireland, that you have got a vested interest in your license in Ireland and that they have not in England?—Yes.

1776. You have not at this moment applied that to the question of valuation?—Well, I have referred to it by mentioning that we think that existing contracts should be respected and that, having regard to the fact that this money was invested under circumstances which are very well defined as regards rates and taxes and license duty, the property ought not to be jeopardised and that the interest of the person in the property ought not to be depreciated.

1777. What contract do you refer to when you say the contracts ought not to be interfered with?—If you take the case of a trader who buys a house, say, at a cost of 3,000*l*, the valuation at the time being 30*l*. and taxes and license duty, say, 25*l*, if the re-valuation on the new basis took place it would probably be increased to 80*l*., thereby increasing local taxes and license by the sum of about 85*l*. Well, it is probable that it will be admitted that if that house were sold after re-valuation, at least a thousand pounds would be knocked off the value of the house.

1778. Would

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Mr. RUSSELL.

[Continued]

Mr. Charles Douglas.

1778. Would not that apply to any increase in the rating of any property whatever?—It would decrease its value if you increased its valuation?—Yes, but it is proposed to put a particular valuation upon this class of property.

Chairman.

1779. However, that is what you mean?—Yes.

1780. We will not bother you more about that. Just go on please?—Then there is the further ground that we fail to see why we as distinguished from all other shopkeepers should be asked to pay more for the lighting of a city or the paving of its streets or, in the case of rural districts, the construction of a country road. If any privilege is enjoyed we maintain that it is paid for in license duty, and, inasmuch as this license duty goes to local taxation purposes, we contend that in reality we are paying a tax beyond what other traders pay. I might give an example of that. If we take the case of a trader and take the rates at 10s. in the £. (they are about that in the City of Dublin at the present time), and a valuation of 50L, that trader pays 25L rates and 25L license duty; in other words he contributes 50L towards local taxation while the draper next door whose profits may be as great, if not greater, because his expenses are less contributes only half that amount. Another matter is that license duty in Ireland is paid on Griffith's Valuation plus 20 per cent, but that 20 per cent is only added for the specific purpose of assessing license duty. Sir John Barton in his evidence said that, assuming the new valuation came into operation in Belfast, that 20 per cent in future would not be added; but then that does not alter things as the new valuation would relate to local taxation.

Mr. Hemphill.

1781. Do you mean to say that hitherto, before this re-valuation arose, the 20 per cent. was always added to Griffith's valuation in the case of public-houses?—In the case of public-houses it was.

1782. Under the old system?—Under the old system, notwithstanding the fact that at the time when the existing scale came into operation in the Inland Revenue Act of 1880 (when that was passing through the House of Commons), several concessions were made to the Irish Members by alterations in the scale, and also by reductions of the smaller valuations; and at that time Mr. Gladstone (who was, I think, Chancellor of the Exchequer), in pursuance of a pledge he had given, moved to add to the clause, that in the case of premises in Ireland the annual value upon which the duty was to be charged should not exceed the amount of value assigned thereto in the valuation in force under the Act of 15 and 16 Victoria, chapter 63, with the addition of 20 per cent. to such amount, and the licensed person might appeal against the amount of the annual value in the same way as in the case of an assessment to Income Tax, and the appeal should be determined in like manner as an appeal against such assessment. Then somebody pointed out that 20 per cent. was too great an

Mr. Hemphill—continued.

addition, and in reply to that Mr. Gladstone said it was not right to assume that there would be an increase in all cases. Each case would stand on its merits, but in no case would the increase exceed 20 per cent.

1783. Have you anything more to say? Just finish what you have to say yourself, and then I will ask you a few questions?—On that point about the investment of money I just wish to mention that when the money was invested (it is invested in these various transactions which take place so frequently in the case of licensed houses) it was never contemplated that this enormous increase would take place in the valuation.

1784. First, I will ask you this question: Would you assume two shops in a precisely similar locality, a precisely similar situation, one of them with a license, the other not, and belonging to the same landlord; as a matter of fact in an ordinary Irish town would you get more rent for the shop with the license than for the one without?—That all depends, I should say, upon the situation of the house.

1785. I have asked you to assume an exactly similar situation?—I could give instances where the licensed house may fetch more, and I could give instances where it probably would not.

1786. That is scarcely answering my question. I ask you, as a matter of fact, does the possession of a license enhance the letting value of the property?—I assume it does to some extent, but not to a greater extent than is paid for by the license duty.

1787. Now are you not aware that in the valuation of a license the license duty as a tax is deducted?—I am not aware of that.

1788. You do not know what has been done?—I heard Sir John Barton state that certain deductions were made in the case of different classes of property, but I do not think he stated what the deduction was in the case of licensed premises; we believe it to be about 10 per cent.

Sir James Haslet.

1789. Do you mean that if a man pays 50L a year and pays license duty on that, that the license duty is deducted by the valuer off the valuation?—That is what the Lord Advocate has stated; I am not aware whether that is so.

Chairman.

1790. Do not take it from me then. What I want to get at is this. The License Duty is of course payable under an Imperial Statute for the privilege of conducting a public-house?—Yes.

1791. It has of course nothing to do with the landlord of the public-house; it has only got to do with the particular person who gets the license?—That is not always the case in Ireland. A landlord may set premises which are licensed at the time that he sets them under the lease; if he does that the lease always contains an extra covenant as to the upkeep of the license.

1792. In that case if before he let the premises he was in possession he himself would be paying the license duty?—Yes.

1793. Do you follow me? The license duty when exacted is taken from the person who actually has the license?—Who holds the license.

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1794. If

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Mr. RUSSELL.

[Continued.]

Chairman—continued.

1794. If that person is a tenant the landlord is not affected one way or the other by that?—No.

1795. Now what I ask you is this: If the effect of premises being licensed is that a man will give more rent to the landlord, why should not that be an element of valuation?—That is what we consider is taxed by the license duty; that is what we consider we pay license duty for.

1796. I am not going into the question of taxing; I am not going into the question of value. Let me put this to you: You are an intending tenant of a public-house; if you go into that public-house you know that you will have to pay the license duty?—Yes.

1797. And I suppose you offer such rent to the landlord as you think the premises are worth in face of the fact that you will also have to pay the Government License Duty?—Yes, we go in knowing all those things.

1798. If the rent that you offer to that landlord is greater than the rent that (say) a bootmaker would offer, why should not that extra value of the premises be taxed?—It is taxed by the price that you pay for the house, and these are the very relations that we say ought not to be disturbed.

1799. Is your view then that the Imperial License Duty is a local tax?—In the case of Ireland it is; it goes in relief of local taxation.

1800. Certainly, but why should not other local taxes be charged on the same value? Why, for the one payment of the License Duty, should you be yourself exempted from all other local taxes?—I do not know that we do.

1801. I do not think you do either; but I understand your suggestion, why the increased value of the public-house should not pay its contribution to poor rate, to street lighting and so on, and so on, is that you have already paid for them under the license duty?—No, my contention is that we ought not to be made to pay for these privileges a greater sum than any other trader, and I base that upon an example which perhaps I might be allowed to quote. There is a street in Dublin, named Grafton Street—it is one of the principal thoroughfares; there were two houses in that street one of which is now not licensed, the other is licensed; both houses changed hands as licensed houses, and a sum of 6,000*l.* was paid in each instance; one of the houses was bought by a trader who intended to carry on the licensed trade; the other was bought by furniture people, I think house-furnishers of some description or other, and they allowed the license to lapse. Now if, upon the principles laid down by Sir John Barton, Grafton Street were to be re-valued to-morrow, both these houses would be taken, and first valued, on the true letting basis, and then the purchase-money in the case of the licensed house would be divided by two, and 4 per cent would be taken on the half of it, always assuming that the houses are the same, of course. In other words, 120*l.* would be added to the valuation of the licensed house, with the result that for all these privileges which the licensed trader does not enjoy to any greater extent than the house-furnisher, he would have to pay on the 120*l.* in addition to the valuation which might be arrived at on the letting basis.

Chairman—continued.

1802. But does it not occur to you that the valuation is not based upon any theory of privileges, but is merely based upon what the property will fetch in the market? I suppose, in the illustration you put in the case of the house in which the license had been allowed to drop; it would not have fetched 6,000*l.* after that?—Oh, I should say it would, because they would scarcely have paid 6,000*l.* for it and allowed the license to lapse, unless they thought it was worth the money.

1803. Unless they had some special reason which made them give the big price; there I am quite with you; but assuming that a year or two elapses, and that these people go away, is not it pretty clear that the licensed premises would sell for more than the premises had not the license?—I think they would not in the instance I have quoted, and I can give you another instance in the same street where precisely the same thing has occurred within the last 12 months. In the case of a similar house, a house-furnisher—a London firm—Messrs. Octomson & Co., paid 4,500*l.* for a licensed house; they did not actually allow the license to lapse altogether, but they accepted a sum of 600*l.* for it from a licensed trader who was looking for some extra privilege from the Recorder. Those are two examples where evidently the people considered the premises unlicensed of more value than the premises licensed. Then there is the question of profits, which I suppose I am precluded from going into; but in that respect the trade in Ireland differs very materially from the trade in England; the profits are not nearly so great in Ireland as they are in England.

1804. That is to say, you think it is a less successful trade?—I think so. I should say the profits are very much greater in England.

1805. If the profits are less I suppose the result would be, would it not, that the ordinary letting value of the licensed premises would be not so much above the ordinary value of shop premises in Ireland as they would be in England?—That would be so, I presume.

1806. You see there is no proposal, as I understand, to value licenses in Ireland upon any scale of the value of a licensed house in England?—Except that Sir John Barton stated that what he was anxious to do was to value licenses in Ireland on the English principle.

1807. On the English principle. That is a different thing you see. I am only putting this to you; I ask you to assume that there is a certain enhanced value in the letting value of premises in Ireland owing to the possession of a license. Now if there is, and that is so, can you give any reason why that should not be taxed?—If I admit that there is an enhanced letting value to premises by reason of the fact that they are licensed, I certainly think the proportion which Sir John Barton allots to goodwill is not nearly sufficient.

1808. I see what you mean. That is quite a fair thing to say. You mean that you think that if there is an enhanced value in the letting value of the premises, a certain amount of that ought to be put down to goodwill?—Yes, and a very large proportion of it; because I think where large

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[Continued.]

Chairman—continued.

large prices have been given for houses the price has been paid for the connection which surrounds the house. The large prices that have been given have not been all given for the public-house pure and simple.

1809. I see what you mean now, but it is not precisely what you said, if I may say so. What you do mean is this: You mean that when you want to get at the enhanced letting value from the figure which has given on transfers, you ought to put more than half the figure which is given on the transference to the good-will?—Certainly, a very much larger proportion than half.

1810. That I understand?—That is if it can be proved that there is any enhanced letting value beyond what is paid for the privilege of being licensed in license duty.

Mr. Hemphill.

1811. When you speak of a license enhancing the letting value of the public-house, is it not because, as it were, of the good-will of the business?—Yes, I treat it all as good-will.

1812. Suppose a very famous shop in some other business than a publican's, having got a great name in that business, that probably would let at more than a neighbouring shop by reason of the connection it had formed?—Quite so.

1813. That would not be taken into account in valuation?—No, and we contend on the same ground that it ought not to be taken into consideration in the case of licensed premises.

1814. In speaking of the letting value you deal with the question as abstracted from every outside consideration, simply what, assuming all things were equal, any man would give in the market for the house?—Yes, quite so.

1815. Is that what I understand your reason to be?—That is so.

1816. And in that way it is an indirect mode of taxing the profits which are made by the publican out of his public-house?—Yes, and profits which are not greater than the profits of most businesses.

1817. If for instance the shop was a chemist's shop (we know there are such chemist's shops, we will say in Dublin), which for a 100 or 150 years had been transferred from one chemist to another, and had acquired a great name, that shop would in the eye of a chemist be preferable to another shop, and he would give a higher rent for it?—Certainly.

1818. But that you say would not be an enhancement of the letting value within the meaning of the Act of Parliament?—That is my view.

1819. That is your view at all events?—In other words that good-will ought not to be taxed.

Chairman.

1820. In fact you do not discriminate, as some others have discriminated, between the good-will that is inherent in the premises and the good-will that is inherent in the person.

Mr. Hemphill.

1821. Was not there some question about this lately, I want information about it, because I have not been there. I thought cases had

Mr. Hemphill—continued.

lately arisen in Ireland in which the courts were rather inclined to adopt the principle of the *Sharpe v. Wakefield* case?—No, that is not so.

1822. There was a case where the matter was discussed?—The vested interest in Ireland rests on the *Clisheroe* case.

Mr. Lough.

1823. I want to get out what you actually mean by the expression "contract" which you made use of in reply to one of the questions of the Chairman?—I mean the basis of the purchase.

1824. This is what you mean, is it; that they buy at a high price, then the valuation of their house is raised because of that, and if they were forced to sell they would sell at a low price; a correspondingly diminished price?—Quite so.

1825. So that the first contract would have been unfairly interfered with?—Quite so.

1826. Is that your view?—That is my view.

1827. Then you say that if the licensed houses do enjoy any privilege above other properties, that ought not to be a reason for raising their valuation because they have to pay this license duty?—That is so.

1828. Can you tell us what that license duty is?—In Ireland it is fixed on a scale, which varies according to the valuation; 20 per cent. being added in each case. It commences at 10*l.* and under; there the license duty is 4*l.* 10*s.*, then 10*l.* to 15*l.*, 15*l.* to 20*l.*, 20*l.* to 25*l.*, and 25*l.* to 30*l.*

1829. At 20*l.* rental what is the duty?—At 20*l.* valuation it would be 11*l.*

1830. On a 100*l.* rental what is it?—On a 100*l.* valuation it would be 30*l.* license duty.

1831. So that there would be 30*l.* extra duty paid there?—Yes.

1832. Do you know how much the total amount of that license duty is, in Belfast say?—I think in Belfast it is close on 20,000*l.*; in the whole of Ireland it is about 168,000*l.*

Chairman.

1833. What is the top figure in the excise scale, I mean what is the top rental?—£.10 valuation duty would be 4*l.* 10*s.* license duty.

1834. Yes, but what is the top figure?—The top figure is 700*l.* or above.

1835. £. 700 and upwards, I suppose?—£. 700 and upwards.

Mr. McGee.

1836. What is the duty in that case?—The maximum duty is 60*l.*

Mr. Charles Douglas.

1837. Under the Irish licensing system is the license given to the premises?—To the premises, yes.

1838. And can be transferred from individual to individual?—Yes, it can be transferred; and the transfer can only be objected to as I have stated on the two grounds; it cannot be objected to as in England (and I think in Scotland) on the ground of the number of previously licensed houses.

Mr. Hemphill.

1839. It is only the fitness of the applicant

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Mr. Hemphill—continued.

and the fitness of the house?—The fitness of the applicant and the fitness of the premises.

1840. The suitability of the house?—Yes.

Sir James Haslett.

1841. Is the license not both to the individual and to the house?—Yes, I should say that it is.

1842. You mentioned to us that bankers in Ireland take the place of the brewers in England?—That is so. Of course there may be a few exceptions. In Dublin I know of only one house which might be said to be tied in the same sense that houses are tied in England.

1843. But is it possible that the trade in Ireland is in the hands of money-lenders?—In order to answer that I should describe how a licensed trader gets into business. He has served his time at the business; he has probably saved some little money; he is drawn from a class of the community who can assist him to a limited extent too, in most cases; he goes to the bank in (I should say) at least 90 per cent. of the cases (I am speaking now particularly of Dublin) accompanied by his former employer, who goes as collateral security, and the money is advanced at the ordinary market rate of interest.

Mr. Lough.

1844. The money for what?—For the purchase of the good-will of the house he may be anxious to get into.

Mr. Charles Douglas.

1845. Does the bank take the whole risk of his losing his license?—I have said that his former employer, as a rule, goes as collateral security.

Sir James Haslett.

1846. You say there are only two causes: Suppose the landlord is the owner of the premises and of the license, he lets them at the value of the house, including the license?—Yes, of course he does if he looks after his own interest.

1847. Your contention is that as the law stands there would be no ground for forfeiting that license or taking it away, but the man could not take it away from those premises (granted there is no embargo on his lease) supposing the landlord acted capriciously?—I understand your point, Sir James. He certainly could cause a great deal of trouble; but there is nothing then to preclude the landlord from applying for a license for those premises.

1848. But you are aware that there is a case decided where the landlord asked for an unreasonable rent by reason of the license being there, and the man took premises on the opposite side of the street and carried the license with him against the landlord, and the court held that it was due to a capricious act on the part of the landlord, and let the man take the license with him?—That might occur in the case of a man who himself obtained the license; or in other words when the landlord could establish no property in the license whatever.

1849. Is it common for the landlord to hold the license in Dublin. I do not know of a

Sir James Laslett—continued.

single case I think in Belfast; it is invariably the individual who holds it?—In Dublin it is invariably the case almost. It is all leasehold property.

1850. Suppose I got drunk on those premises and the party was summoned (I am taking an extreme case) for permitting drunkenness, would not he have, as a first act before the magistrate, to produce his license, or else to fumble about and say he had forgotten it, or something of that kind; but, ostensibly, would not he be called upon as the very first act to produce his license?—He is bound to produce his license.

1851. And is not it an individual license? Whatever contract there may be behind do the exise acknowledge any person accept the individual carrying on the business?—The exise acknowledge nobody except the actual licensed party; but then if a house licensed is let by a landlord, the Courts have always been careful to see that his interest in the premises has not been interfered with.

Mr. Hemphill.

1852. The license is actually granted to the publican, and in questions of a transfer or of a new license they take into account the fact of that house being formerly licensed?—Quite so.

Chairman.

1853. In fact, as I understand you, what you say is this: Supposing in certain premises A is landlord and B is tenant; that the premises have been licensed premises for many years; that B quarrels with the landlord and goes away; the authorities, according to ordinary practice, will give a renewal license, not to B in some other premises, but to A's new tenant in those premises?—Yes. There is one suggestion I wish to make with reference to the question of appeals. Sir John Barton in his evidence spoke of the small number of appeals, and I think there seems to be general agreement that that is due to a large extent to the fact that the persons whose valuations have been altered get no notice. The practice is to put an advertisement in the newspapers on the 1st March (when the Lists are published) intimating the fact that the Lists are open for inspection at the City Hall. Very few people see the advertisement and after 21 days of course it is too late to appeal. What I think would be a reasonable suggestion is that where a valuation is altered the person affected ought to get something in the nature of a more direct intimation.

Sir James Haslett.

1854. That is, you would carry out in law what the Corporation of Belfast do in practice?—So I have heard.

1855. That is send a postcard to each individual who is affected by the valuation?—Yes. Then there is the procedure on appeal too. Sir John Barton advocated I think what amounts to the abolition of the right of Appeal to Quarter Sessions. Well on the contrary while we would not advocate the abolition of the office which he holds now (because we believe that in many instances by friendly intercourse with him

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[Continued.]

Sir James Haslett—continued.

matters are set right) we think there ought to be associated with the Recorder or County Court Judge, in hearing these appeals, some local element; and we thought even of going to the extent of giving an appellant (where the interest may be a large one) the option of empanelling a jury as is done in assessing the value of land under the Railways Clauses Acts.

Chairman.

1856. Do you think a jury would be a good tribunal?—A local jury knowing all the circumstances we thought would be a good tribunal. Of course that should be optional.

1857. Does not this occur to you—that part of the merit of a good valuation is that there should be a certain amount of uniformity of practice as between various people—that is so, is it not?—Evidence of that would be given; and, of course, if there were uniformity, I do not suppose there would be any ground for appeal.

Mr. Hemphill.

1858. Would you approve of the system of the

Mr. Hemphill—continued.

County Court judge having the power to name an Assessor—some expert—just as in the Admiralty Court the Admiralty judge used to have two Naval officers as Assessors; what would you think of that system. That, I think, would be preferable to a jury?—I do not think that would be sufficiently popular, and I think the popular element is what would be appreciated.

Chairman.

1859. It is quite evident, is it not, that a jury, in the first place, would very likely have had no experience whatsoever of valuation, and, in the second place, could not possibly know the general circumstances of the valuations of other properties?—Well, I illustrate the case where land is taken compulsorily for (say) railways. I believe that is done by a jury who have local knowledge.

1860. Yes. If you think that is the same, I have nothing more to say. Is there anything else you would like to add?—No, I do not think so.

Sir JOHN G. BAXTER, C.B., re-called; and further Examined.

Chairman.

1861. How do you deal with the question of excise in the valuation of the licence in the new valuation of Belfast—the Excise licence?—In arriving at what extra sum to put on the value of a licensed house over the value of the building as an ordinary shop, we take into consideration that the occupier will be bound to pay certain dues under the licence.

Mr. Lough.

1862. By "taking into consideration," do you mean that you will deduct the amount of the licence duty (which you know is based on the valuation of the premises) from the valuation that you take?—From the valuation, with the addition of the licence.

1863. You will deduct that?—Yes, not from the value of the place as a shop.

Wednesday, 12th November 1902

MEMBERS PRESENT:

The Lord Advocate.
Mr. Clancy.
Mr. Charles Douglas.
Mr. Duke.
Mr. Goulding.
Sir James Haslett.

Mr. Hemphill.
Mr. Lees.
Mr. Lough.
Mr. McKillop.
Mr. Macartney.
Mr. Randles.

THE LORD ADVOCATE IN THE CHAIR.

Mr. MATTHEW McCURKEE, called in; and Examined.

Chairman.

1864. You are the owner, I think, of seven licensed houses in the City of Belfast?—Yes, sir.

1865. For the past two years you have been Chairman of the Belfast and Ulster Licensed Vintners' Association?—Yes.

1866. I believe you wish to give some evidence as to proposals for any alteration of the law of valuation in Ireland?—Yes.

1867. We have been told (and I think it is a fact) that previous to the re-valuation of Belfast—which was begun under the Local Government Act—it had not been the custom in Ireland to put any enhanced value on a public-house in respect of the fact that it had a certificate?—We always understood that, Sir, but I am afraid the results have been different.

1868. We have also been told that, too, and, on the other hand, we have also been told that in the re-valuation of Belfast for the first time an enhanced value was put upon the certificate?—Yes.

1869. We have been told also that an appeal has been taken against those valuations by the holders of all the licensed houses?—Nearly all, I should say.

1870. Or nearly all?—Yes.

1871. Have you any views to give us upon the question of whether the public-house ought or ought not to be valued—I would like your views just in your own language first, and then we can ask you a few questions upon them?—There is a case, my Lord, or a number of cases, that were taken on account of the rate struck by the Corporation. There had to be a special Act of Parliament passed to allow the Corporation to strike rates for 1901-2. On account of the rates being quashed, the annual revision of that year was lost.

1872. Yes, I quite understand that?—A special clause had to be inserted in that Act.

1873. Yes, we understood that?—A clause allowing the Commissioner to revise or sustain that annual revision. I have the list here of licensed houses that were in for annual revision that year outside the general re-valuation.

1874. I am bound to tell you that the proof you very kindly sent me of what you would say seems to me to be based upon a good deal of mis-

Chairman—continued.

apprehension of what this Committee is sitting upon. I could not possibly ask you questions upon the particular valuations, because that evidence I should have to rule out, if anybody asked you. We have nothing to do with the question of the Belfast re-valuation; that has been so far done by the Valuation Commissioner, and the matter is *sub judice*. We shall be perfectly happy to hear your views as to the propriety of assessing public-houses, and as to any alterations which you may wish made in the law, but I cannot take from you any simple enquiry into what has been happening in the Belfast re-valuation. What do you wish to say about the principles of the valuation of public-houses?—The first matter that I was inclined to refer your Lordship to was the evidence of Sir John Barton, which indicated that heretofore he valued the licensed house as an ordinary shop. Now I have a list of 26 houses here, and I can satisfy the Committee, I am sure, that a higher valuation is placed upon these houses than would have been placed upon them if they were ordinary shops.

1875. Are you speaking of the Belfast re-valuation?—No; the annual revision succeeding the general re-valuation.

1876. You must remember this: I cannot go into the question of whether Sir John Barton was right or whether he was wrong in any particular valuation. If he was wrong, you have the ordinary appeal which you could take?—Yes, we did take an appeal in one case that I have here, and the Recorder set the valuation back to the old figures. The question raised on appeal was as to the construction of the Act of Parliament, as to the limits of the building being altered; we contended that they had no right to revise unless the limits were altered, and that the list sent in for re-valuation to the Town Council had a right to be laid before the Town Council before it was sent on to Sir John Barton. That was not done. The Recorder agreed with our contention that the proceedings were irregular, and restored the old valuation. The Valuation Department asked the Recorder to state a case on those two points, and it was brought to the King's Bench; two judges decided in favour of the Valuation Department and one against; one contended that the lists had a right to be laid before

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Mr. McCUSKER.

[Continued.]

Chairman—continued.

before the Corporation, and that the opinion of the Corporation had a right to accompany them.

1877. I am anxious not to trouble you in any way, but I think it is really not evidence for us. The Courts of Law have first of all to decide according to the best of their ability, and they do so decide. We are not sitting upon the Courts of Law; we are sitting here wishing you to tell us what in any future system of valuation of Ireland you think are proper principles, and that we will take from you; but I cannot take from you a history of the various disputes that there have been over particular public houses?—We think there is no margin for increased liabilities on licensed houses in Belfast.

1878. Then I will put the question to you that Sir James Hailett asks me to put: Are you of opinion that there ought to be an enhanced value put in respect of the licence?—We are. We think that to regard the fluctuating premium paid for goodwill and fixtures of licensed houses as a taxable commodity is wrong in principle and unjust.

1879. Now I will ask you a question or two particularly upon that. As a matter of fact, do you consider that a public-house lets, from a landlord to a tenant, for more money in the same place than it would let for if it was not a public-house?—Not in all the cases. The highest rent I know for a licensed house in Belfast is 225*l*. I know several other premises without licences in the same street which let for 600*l*. and 800*l*.

1880. Yes, but that is not either here or there, is it, unless the premises are the same?—In different districts of the city; it depends upon the district the licensed house would be situate in.

1881. In what position are most of the public-houses in Belfast; I do not mean the local position, but as a rule, are they the property of the landlords or of the tenants?—In all cases they are let, I should say, on short leases.

1882. Would you object to the rents that are actually paid being taken as the valuation?—I think it would be the fairest way to get at it—the same as applies to other property.

1883. You get at the rents as they are actually paid, or at the rents as they are actually let?—I have no doubt as regards public-houses, if the licence was removed, you could not get half the rents in some cases; in some cases they would not get a fourth of the rent.

1884. That is just what I should have thought?—I have one case that an honourable Member of this Committee (Sir James Hailett), I am sure knows about—in Station Street. The tenant's lease expired; the landlord took a large portion of the yard, or the whole of the yard, from the tenant. The rent the tenant formerly paid was a hundred a year; the landlord wanted to increase the rent to 120*l*.; the tenant and the landlord could not agree as to the rent, and the tenant took premises on the other side of the street; he made an application to the Recorder for a new licence, and after investigating the case the Recorder was satisfied that the landlord's demands were severe, and he granted the tenant a new licence. The premises the tenant left are now let for 30*l*. a year.

1885. That seems an excellent instance of showing that the appendage of a licence to a pre-

Chairman—continued.

mise increases the ordinary letting value?—Yes; but we say that the landlords in that case will extract all the rent they can possibly get.

1886. Oh, I have not a doubt of it. I do not at all want to trap you, but am I to understand that you would be content that the valuation should be fixed in all cases, where there is an actual rent paid, on the figure of that actual rent?—That is not the proposal. The proposal of Sir John Barton applies to other shops.

1887. Never mind about Sir John Barton; we are not here sitting on Sir John Barton; we are here enquiring as to a proper system of valuation. Am I to understand that you would be content that the valuation should be fixed, in all cases where there is an actual rent paid, on the figure of that actual rent?—I think the rent is the fairest basis to go on. Of course there might be some extravagant rents.

1888. But where the rent represents the proper market value that you would get on going into the market; then you think that is a fair valuation to take?—I do.

1889. Now, do not you see that, that rent necessarily includes the value of the licence?—I have no doubt the landlord considered that at the time—that he had that licence to his house and got all the rent he could for it.

1890. I understood from other witnesses, but I should like you to corroborate it if it is true, that, according to what you may call the usual practice in Belfast, the licence is continued with the premises; do you see what I mean?—No. There is a case in the Superior Court, of O'Brien v. the Justices of Tipperary, where it was decided that if the landlord and the tenant could not agree as to terms, the licence lapsed from both of them.

1891. We quite understand. The licence, as we all know, is a licence to a person to sell liquors in a certain place—I mean that is the form of the licence?—Yes.

1892. It is a licence to A.B. to sell liquors, say, at No. 10, So-and-So Street. We quite understand that. It is not to C.D. or E.F. to sell liquors there or to sell liquors to anyone anywhere else than at No. 10, So-and-So Street. What I want to get from you is this: In the ordinary practice of licensing in Belfast is the licence usually given to the person who goes into those premises? You have given us one instance of the opposite, but you rather put that as if it was an exception?—The transfers go from one tenant to another.

1893. But in the same premises, as a rule, do they not?—In the same premises, as a rule, and in some cases they are removed.

1894. You have told me already that the ordinary position of a public-house in Belfast is 'that it is let by a landlord to a tenant?—Yes.

1895. Is it usually let for a term of years, or is it let from year to year?—It is usually let for a term of years—about 21 years or so.

1896. A fairly longish term?—Yes.

1897. It must be, I suppose, a common thing, for there to be a transfer during the term from one tenant to another?—It is.

1898. Either owing to a man retiring from business

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Mr. McCUSKER.

[Continued.]

Chairman—continued.

business, or a man dying, and his executors not going on with it?—Yes.

1899. In those cases I suppose occasionally sums of money will be paid by the new tenant to either the old tenant or the executors of the old tenant?—There will be, sir.

1900. Are those sums of money ordinarily paid to the tenant alone, or is a certain portion paid to the landlord?—All paid to the tenant. I know of no case where a sum of money has been paid otherwise.

1901. Therefore, during the currency of the lease the landlord would not in any way be benefited by that sum which was so paid?—No, nothing.

Mr. Clancy.

1902. Because the tenant is the owner of the licence; is not that the reason?—He is in full possession.

Chairman.

1903. Now, have you anything to suggest against the present system of valuation—I mean to say, as regards who it is done by, or appeal, or anything of that sort?—Yes, we think that the present system of revision is not a good one—that it is not satisfactory. The revision is sent on to the Department in Dublin, and a man is sent out to revise the particular valuation. If the ratepayer appeals he goes back to the same office with his appeal, and another valuer is sent from, possibly, the same desk in the Department to revise that appeal.

1904. What would you substitute for that?—We think that the Commissioner ought to go into the district where a reasonable number of appeals come from, and that the County Borough or the County Council should have two men associated with him, who knew the district, and could act in the same capacity as himself in settling these valuations.

1905. Do you mean people associated with him in the form of Assessors, or do you mean an actual tribunal that could overturn his decision?—A tribunal that would have the same right that he has himself to settle the question of what the value ought to be.

1906. You see what I put to you: Do you mean that they are to be able to overturn his decision. You know you cannot have two people who have exactly the same rule. He has to fix the valuation to begin with, and either he must be the judge, or somebody else must be an Appeal Court to meet him: Are you suggesting that the two local men should be an Appeal Court over the Commissioner, or are you merely suggesting that they should act as Assessors, to allow him to reconsider his decision?—We regard the second appeal to him as of no consequence—the appeal that goes to the Commissioner himself. We say he should sit along with two Assessors—if you like to call them that.

1907. But with Assessors?—Call them that if you like, my Lord.

1908. You want two local people associated with the Commissioner as an Appeal Court?—Yes. The Commissioners of Income Tax send down two from London to investigate a very

Chairman—continued.

small number of appeals. They have sent them on to Enniskillen to investigate six Income Tax appeals, and to other smaller towns, and we think the same practice should be followed in the Valuation Department.

1909. Have you any views as to any further appeal, because there is the further appeal to the Courts at present?—We think that the appeal to the Recorder should still be maintained, and that the ratepayer should have the option of calling a jury—particularly in the County Boroughs. In the Counties the county magistrates have the right to sit with the Chairman of Quarter Sessions.

1910. As regards a jury, of course you realise, do not you, that one of the great desiderata of a valuation is that it should be more or less uniform?—Yes.

1911. Now, how do you think that a jury (who would, of course, be summoned like any other jury) of utterly unprofessional men, and having nothing to do with valuation, except in that one case, could possibly secure anything like uniformity of valuation, if you used a jury?—I think they would know more of the circumstances than the Recorder or the Chairman of Quarter Sessions.

1912. They would have had nothing to do with the rest of the valuation at all, would they?—I presume the valuations from the same district where the appeal was from would be before them. You see in the counties the magistrates have the right to sit, as I have said before, with the County Court Judge, and hear these Valuation Appeals; in the County Boroughs the Recorder sits alone. He usually lives ten, or, say, nearly twenty, miles out of the city, and knows nothing about it.

1913. Then have you anything to say about notification to the persons whose valuations are affected?—Yes; we think the County Borough should send notice to every ratepayer whose name is in for annual revision.

1914. At present you know alteration of valuation is only made when certain persons put the case upon the list?—Yes.

1915. In your view, is that system right, or would you have it possible for the Commissioner to take up all valuations at his own hand, so to speak?—I think if the rate collectors had looked into the thing in Belfast, as the Act of Parliament entitles them to do, there would have been no need for a general re-valuation of Belfast at all.

1916. You mean that if the annual revision had been made sufficiently drastic there would have been no need for the re-valuation?—No need for it.

1917. That is the difference between a very drastic annual revision and a re-valuation?—On an annual revision, according to Sir John Barton, they cannot add new principles which would not affect all. On a general re-valuation they can introduce a new basis on all ratepayers, which he has done.

1918. On an annual revision you can add as increase in the case of buildings, but they must make the rate proportionate with the old valuations. That goes out altogether when it comes to a general re-valuation?—We think, my Lord, that

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(Continued)

Chairman—continued.

that the Excise officers should not be allowed to send in premises for revision. That has acted very unjustly towards licensed houses all over the country.

1919. Why?—They send in lists of particular premises that they think are under-valued; the Commissioner can do nothing else but revise these premises, with the result that they are put far above any other ratepayers in the city or district.

1920. Is there any reason why an Excise officer should send in a premises unless he thinks it is under-valued?—The rate collector is appointed to do that, and we think it should be his duty entirely, and confined to him.

1921. You look upon the Excise officer rather in the light of your natural enemy, that is about the bottom of it?—There is the increased licence duty; then there is the local taxation as well.

Mr. Clancy.

1922. Have you got these half dozen cases that were referred to earlier in the sitting, of increase of valuation?—Do you mean in the case of re-valuation?

1923. Before some of the Committee came in the Lord Advocate had agreed with me, I think, that half a dozen instances of the cases in which valuations of public houses had been increased in Belfast should be handled in; I do not want the names at all; I want the figures?—I have a list of 32.

Chairman. Give us any six of them. Give us the name of the premises.

Mr. Clancy.

1924-5. Read them out?—4, Sandy Row. The valuation in 1881 was 20*l.*; in 1891 it was 26*l.*; in 1901 40*l.*; the general re-valuation was 110*l.*

1926. What do you mean by the general re-valuation?—The new general re-valuation of Belfast.

1927. That is the last one?—Yes. 37, Oxford Street, 40*l.* in 1881; 45*l.* in 1891; 55*l.* in 1901, and 230*l.* for the general re-valuation. 1-3, Great Edward Street, in 1881 it was 30*l.*; in 1891, 35*l.*; in 1901, 55*l.*, and for the re-valuation 185*l.* 17, Lombard Street—85*l.* in 1881; 91*l.* in 1891; 145*l.* in 1901, and 160*l.* for the general re-valuation. 31, Church Lane—37*l.* in 1881; 48*l.* in 1891; 65*l.* in 1901, and 105*l.* for the general re-valuation. 24, Ann Street—20*l.* in 1881; 34*l.* in 1891; 50*l.* in 1901, and 140*l.* for the general re-valuation. That is six cases.

Chairman.

1928. Now, take the first one—Sandy Row; do you happen to know, for instance, what the rent paid for Sandy Row at this moment is?—I do not know, my Lord.

1929. You do not know the rents of any of them, I suppose?—No.

Mr. Clancy.

1930. You know all these streets, I suppose?—I do intimately.

1931. And the houses?—Yes.

1932. Do you happen to have particulars of the valuation of the houses adjoining?—I have not.

025.

Mr. Randles.

1933. Amongst the 32 you spoke of you have given us a case where you do know the rent. Have you not one case in which you know the rent out of the 30 odd?—Yes, I can give you the case of a brother of mine—101, York-street.

Mr. Clancy.

1934. Have you the valuations for that?—The old valuation was 40*l.*

Mr. Randles.

1935. In 1881?—In 1900.

Chairman.

1936. It is not in this list before me. What is the re-valuation?—The re-valuation was 120*l.*

1937. What is the rent?—The rent is 70*l.*

Mr. Duke.

1938. When was it fixed?—It was fixed about five years ago.

Chairman.

1939. Has your brother altered the shop since the list was altered?—Just merely done repairs.

1940. No structural extension?—Not a brick or a slate removed; the building is structurally the same as it was; he has put in a new floor and repaired some other wood work.

1941. Is 70*l.* the whole consideration given in the lease?—The whole consideration.

Mr. Randles.

1942. You say new floors have been put in?—A new floor.

1943. Is that put in by the tenant or the landlord?—By the tenant.

Mr. McKillop.

1944. Do they raise the value because of such alterations as putting in a new floor?—They do; the premises were valued at 40*l.*

Mr. Clancy.

1945. Do you mean that they were valued at 40*l.* in 1900?—In 1900; yes.

1946. Is it before or after the repairs?—Before the repairs. On the annual revision they were put up to 80*l.*

1947. Do you know, or have you been informed, the reasons for the increase in the valuation?—The only reason given is the repairs to the premises.

1948. Was there nothing said about anything additional being put on on account of the licence?—Not here-to-fore. Not before the general re-valuation.

1949. I am talking about the general re-valuation. I am talking about the 120*l.* Do you know how that figure was arrived at?—It was alleged that 40*l.* was put on for the licence there—the difference between 80*l.* and 120*l.* was for the licence.

1950. 280 put on for the licence?—No, for the licence, 40*l.*

Mr. Charles Douglas.

1951. The difference between the 40*l.* and the 80*l.*?—The "annual revision" was 80*l.*

1952. It was raised from 40*l.* to 80*l.*?—Yes.

1953. At the annual revision?—Yes.

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1954. And

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Mr. McCusker.

[Continued.]

Mr. Charles Douglas—continued.

1954. And on the general revision it was raised further to 120*l*.?—Yes, to 120*l*.

Mr. Hemphill.

1955. It was 40*l*. first; when was that?—In 1900.

1956. When was it 80*l*.?—In 1901.

1957. And the general revaluation was what?—£120.

1958. In what year?—That came out in 1901, too.

Mr. Goulding.

1959. May I ask what you estimate the value of those structural alterations at?—They were sworn to be about a hundred pounds.

1960. They cost that?—About a hundred pounds.

Mr. Clancy.

1961. Do you mean that they cost that?—The alterations and repair.

1962. About that?—That was the cost of making them?—The cost of making the repairs; yes.

Mr. Goulding.

1963. And you attribute the rise in the valuation entirely to these alterations—a hundred pounds' worth of alterations?—There is no other reason we know of for the 80*l*.

1964. For a hundred pounds' worth of alterations?—Yes.

Mr. Clancy.

1965. To make it quite clear: was there any repairs between the time that the 80*l*. was put on and the 120*l*.?—No repairs.

Mr. Charles Douglas.

1966. It was between the 40*l*. and the 80*l*.—the repairs?—Yes; the evidence given by the valuator on the value (Mr. Talbot, who is the chief man in the Department) was, that 10 per cent reduction was allowed to make the valuation relative to that of other property in the same neighbourhood. I have a map or photograph here of five houses in the same block belonging to the same landlord, and if the Chairman would allow me I would let the Committee see the premises immediately adjoining.

[Chairman.] You may put it in as an elegant extract; but it cannot affect the question we are inquiring into. (Two Photographs were handed in.)

Mr. Clancy.

1967. What street is this?—This is York-street.

1968. Are the houses there pretty much alike? That one block is all the same size and depth.

1969. Is this house that I see valued at 63*l*. yours?—That is a brother of mine. On the opposite corner there is a hoot shop with four feet more frontage than my brother has and it is valued at 23*l*., and the valuator swore that he took off 10 per cent, to make it relative to that and other property in the same neighbourhood. I have a newspaper report here of the case before the Recorder.

Mr. Clancy—continued.

1970. The next house on the other side is 20*l*. valuation?—I should explain that in that case I think the top part is lot and the valuation of the top part is 13*l*. in addition to that 20*l*. There are two tenants.

1971. Is it as big a house as the other?—It is.

1972. Are all these houses, first of all, valued respectively at 40*l*., 32*l*., 20*l*., 63*l*. and 23*l*.?—I have the certificates of valuation here.

1973. Are these five houses, all apparently of the same size, valued at 40*l*., 32*l*., 20*l*., 63*l*. and 23*l*. respectively?—The first four are the same.

1974. Are these five houses, all apparently of the same size and character, valued respectively at 40*l*., 32*l*., 20*l*., 63*l*. and 23*l*.?—They are.

1975. And does the 63*l*. house happen to be a public-house?—Yes.

Mr. Charles Douglas.

1976. As those questions have been put do you know what the rents of those remaining are?—The public-house is 70*l*., the other houses are 60*l*. each.

Mr. Clancy.

1977. I think you have said that you do not think there ought to be any enhanced value put on for a license; did you say that?—Yes.

1978. I believe you already pay license duty?—We do, sir.

1979. On the valuation?—We do.

1980. At what rate?—It has a sliding scale, the license duty.

1981. Is it your opinion that the license duty ought to do duty in the way of taxation for any increase in the valuation that arises, because of the license?—We do think so.

1982. You say that there ought to be a jury, or some person sitting with equal authority, to fix the valuation with the Commissioner of Valuation?—We do.

1983. And do you see any reason why any outside authority at all, except the local rating authority, should have any interest in this matter?—With regard to sending the lists do you mean?

1984. Suppose the local rating authority, as in England, values each district and chooses to make it high or low, is not that their affair and nobody else's?—Yes.

1985. And the only object, apparently of putting on any representative of the central authority is for the purpose of seeing to the Income tax?—Very possibly.

1986. Is that your idea?—The intentions and inclinations are in that way, I am afraid.

Mr. Hemphill.

1987. You have given in a list of 32 public-houses and the sum total; have you got the list before you?—Yes.

1988. What was the sum total of the valuation in 1881 of those?—877*l*.

1989. These were all public houses?—All public-houses—yes.

1990. 877*l*.?—Yes.

1991. What was it in 1891?—1,285*l*.

1992. What was it in 1901?—2,246*l*.

1993. And

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[Continued.]

Mr. Hemphill—continued.

1953. And under the re-valuation of the other day, what was it?—£3,951.

Mr. Clancy.

1954. Do you happen to know whether or not there have been structural alterations and extensions to account for that increase in valuation?—In six cases the houses were rebuilt; in the others—I know them intimately—nothing but the merest repairs were carried out.

Mr. Hemphill.

1955. You know that as a fact?—Yes.

Mr. Charles Douglas.

1956. Do you know whether there has been any rent increase in the value of these houses?—I do not.

Mr. Hemphill.

1957. You cannot say that?—No.

1958. When was Sir John Barton appointed at the head of the department?—I think about 12 years ago.

1959. Sir John Barton did not tell us in his evidence, but as he is in the room he will perhaps tell us himself.

Sir John Barton.] About 10 years ago.

Mr. Hemphill.

2000. That was in 1902. (To the Witness.) Can you tell me what was the actual increase of all the licensed premises in Belfast?—In 1901 the total valuation stood at £7,000.

2001. Was there a revision in 1901?—A very small revision.

2002. What is the valuation now?—£60,000—a little over 60,000.

2003. More than double?—Yes; it raises the value per house from 40s. to 90s. each.

Chairman.

2004. On an average?—Yes; an increase in our local taxation of 14,000.

Mr. Hemphill.

2005. What was the license duty increased by?—£5,000.

2006. So that the effect of the re-valuation has been to add 18,000?—£19,000.

2007. £19,000. to the local and Imperial taxation of publicans in Belfast?—Yes.

Chairman.

2008. But, of course, so far as the local taxation is concerned, *pro tanto*, it reduces it upon the other inhabitants of Belfast?—When the rates were struck in 1901, there was only 6d. in the £ taken off.

2009. It is quite clear, is it not, that for the purposes of local taxation, what is put on the publicans goes off the other people?—Very possibly.

Mr. Hemphill.

2010. Has the valuation of other houses been reduced, do you happen to know, as a fact?—A large number have been reduced.

2011. Is the sum total of the reduction equivalent to the increase on the publicans?—I could not say.

2012. You cannot say that?—No.

2013. Now would you be in favour of experts or assessors sitting with the Chairman who is

Mr. Hemphill—continued.

the ultimate court of appeal from these valuations?—The chairman of quarter sessions?

2014. Yes; you mentioned a jury, but assuming there were objections to a jury, do you consider that it would be an improvement to have two experts to sit with the Chairman for revision?—I think a change is necessary. You might go further than two assessors I think. They have more advantage in the counties than in the county boroughs; the county magistrate comes in and sits with the Chairman.

2015. Do not you think the other magistrates should sit with the Chairman in hearing appeals?—We think they ought to sit.

2016. You are in favour of their sitting?—Yes.

2017. Do you think that requires any change—as you satisfied with it?—We have not it in the county boroughs.

2018. Do not mind the county boroughs at present; let us come to the counties first. In the case of the counties are you satisfied?—I think it is satisfactory.

2019. It is satisfactory, as far as you know, to the trade generally?—Yes, I think it is.

2020. With regard to county boroughs you object to the Recorder sitting alone?—We do.

2021. In Belfast, of course, the Recorder is the sole judge?—The sole judge.

2022. In that case you would wish to have a jury of six?—Yes, a special jury.

2023. If there was objection to that would you then think it an improvement to have two assessors sitting with him?—It would be an improvement.

2024. The effect of which would be that a majority of two out of the three would determine the Appeal?—Not as assessors, I think. From what his Lordship says I think they would not have a right to rule against him.

2025. Then what would be the advantage of the assessors?—There would not be a great advantage in them, they would not have the same rights as he has.

Mr. Clancy.

2026. Have you not already said that what you mean by assessors is, persons having equal authority with the Chairman?—Yes.

Mr. Hemphill.

2027. So that a majority of two out of the three would rule the case?—Yes.

2028. That you would prefer in case you did not get the jury?—Yes.

Mr. Duke.

2029. What was the date when the general re-valuation of Belfast came into force?—1st March, 1901.

2030. I understand it is suspended in its operations by appeals, but if there had been no appeals it would have come into operation on the 1st March 1901?—Yes.

2031. Was there any general dissatisfaction with it outside the ranks of the licensed victuallers?—Oh, yes, very great dissatisfaction.

2032. What number of appeals were there, do you know?—About 8,000 appeals.

2033. About 8,000 appeals out of how many valuations?—

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[Continued.]

Mr. Duke—continued.

valuations £—80,000 valuations, I think, altogether. These 8,000 appeals represent 12,000 ratings.

2034. What proportion of them has been disposed of either by trial or by settlement?—None at all yet.

2035. Then the Recorder has this mass of business to deal with?—Sir John Barton has to deal with it first.

2036. But ultimately the final court of appeal will be the Recorder?—Yes.

2037. Is not that so?—Yes.

Chairman.

2038. They can go to the courts after that?—Yes.

Mr. Duke.

2039. The final appeal upon the question of valuation, as I understand, will be the Recorder?—Yes.

2040. Has he been the existing court of appeal upon value as long as you have known?—Yes.

2041. Have his decisions usually been accepted. Is it the individual you object to or the system?—I do not understand?—The system. The Recorder has too much to do as it is in Belfast.

2042. You mean there is not judicial power enough in number of persons?—We think there should be a little more sympathy for the citizens in any court that is constituted.

2043. So you wish trial by a jury of citizens?—Yes.

2044. I daresay you know that in every town in this country the Recorder tries rating appeals?—Yes, I understand that.

2045. Have you private valuers in Ireland who will give evidence on behalf of the appellant in a rating appeal?—We have—ordinary house-agents.

2046. And skilful people who know the value of property?—Yes.

2047. I suppose the Recorder hears evidence where he has an appeal as to value—the evidence of local valuers?—He does.

2048. And the evidence of the person assessed?—Yes.

2049. And, on the other hand, he hears the officials?—He does.

2050. Then he has to decide between the two?—He has.

2051. What is your suggestion,—that it is incapacity on the part of the Recorder or unwillingness on the part of the Recorder which fails his arriving at a just decision with that evidence before him?—We think he is one of the Treasury officials as well as the Commissioner—the same as the Commissioner.

2052. You think he is one of the Treasury officials?—Yes.

2053. He is not removable, is he, by the Crown?—No.

2054. Then the notion of his being one of the Treasury officials is a mistake?—The tendency, I think, of all is to increase Imperial taxation.

2055. You think the Recorder is a man who, in his judicial office, cannot resist the temptation to do something to put up the contribution to

Mr. Duke—continued.

Imperial taxation?—We feel that in the valuation cases with which we have gone before him he has had too much work without these valuation cases.

2056. I understand that?—And that he does not want to encourage them, or anything of that kind. The cases already decided have given very great dissatisfaction.

2057. He is not willing to try them,—is that what you mean?—He is willing enough, but would rather not have them to try.

2058. That really is the ground of objection, and that it would be more satisfactory if he tried them with a jury, in which case I suppose he would spend twice as long over them?—There are much more important cases than valuations tried by jury.

2059. I quite understand you. You think if he tried them with a jury and took a longer time that might remove his difficulty, and deal satisfactorily with them?—It would not take any longer time.

2060. You think it would not?—No.

2061. That is really the ground of objection to the present system,—that you have not confidence in the Recorder sitting alone?—We think he has too much to do; and he does not want to encourage any further litigation.

Sir James Haslett.

2062. We have had a good deal of difficulty about this list that you have handed in, and I observe that in these houses that you say are all the same, the valuations range from 20*l.* to 63*l.*?—From 40*l.* to 63*l.*

2063. No, from 20*l.* I think you amended the 20*l.* by saying there was a letting upstairs?—Yes.

2064. Say 30*l.* (one of them is 30*l.*) to 60*l.*—am I right in saying that the rent is 60*l.*?—The rent is 60*l.* with the exception of the public-house.

2065. I know; the rent is 60*l.* with the exception of the public-house?—Yes.

2066. The rent of the public-house is 70*l.*?—Yes.

2067. Do not you think that that is a valuation that is much too low, so far as the rest of the taxpayers are concerned?—We do; but what staggers us is the evidence of the valuation valuator; he says, he took 10 per cent. off in the case of the public-house to make it relative with other property in the district. I have the evidence here in the case reported before the Recorder.

2068. He pays 70*l.* and is valued at 63*l.*?—Yes.

2069. Would not that amount to the 10*l.*, the difference?—It would not make it relative with the other valuations.

2070. The question is: Is the relative valuation as compared with the rent paid not extravagant?—No, if everyone was paying their own proportion, but until that is settled the re-valuation is not relative.

2071. Your valuation; the valuation of this 63*l.* that has been referred to; the valuation of the others is remote?—Quite so.

2072. That is old standing?—Quite so.

2073. Therefore the contention would naturally be that there should be a re-valuation of these

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[Continued.]

Sir James Haslett—continued.

those, and that there should be some machinery by which they would be brought into line in the final value of the street?—That is so.

2074. Then really the complaint is that the others are too low relatively, as compared with the public house at 63½?—Yes, and until the rest are raised, we think the others should have been kept relatively low too, until all are raised together.

2075. With regard to those public-houses which you have cited to us, are you aware that in a very large number of the cases you have read out, the houses have been actually re-built?—Six only.

2076. Take the Ann Street one please—has not it been enormously increased in value?—That is one of the six that I say has been re-built.

2077. Therefore it is an absolute increase in the value of the structure?—Yes, in that case.

2078. You are aware that in the three countries we have a different mode of dealing with licenses, namely, in England we have letting value; Ireland, up to the present re-valuation, they were not valued at all?—Yes.

2079. And in Scotland they are only valued to a very small degree—that is, they are not valued on the price that has been paid between tenant and tenant?—Yes.

2080. I think the evidence we got was that it did not enter into the calculation at all, if no part of the purchase-money passed to the landlord?—Yes, that is the evidence from Glasgow.

2081. Is it your idea, following up what you said, that the rental for the public-house as a public-house should be taken as the value?—I think it is a sufficient indication of the value.

2082. That would be not a reason taking a case where the particular improvements had been made by the landlord, I mean the structural changes and improvements?—The landlords have done nothing that I am aware of in regard to licensed houses.

2083. Where a man takes a house as an ordinary dwelling house say, makes certain structural changes to bring it into line with the public house business would you say those structural changes should enter into the question of valuation against him as a licensed householder?—I do not catch your question, Sir James.

2084. Now let me understand you; Suppose that a man takes in York-street a dwelling-house (of course I am taking a typical street where the class of houses is changed, and the neighbourhood from a residential part to a business part) of six-and-twenty feet frontage, and opens out the parlour and other rooms, and changes them and brings them into line with the rooms of a shop, would you say that because he enters into a publican's business there he should be higher valued than if he entered into a draper's business?—I think the rent that should determine the valuation is that which the landlord lets the premises at; you see the whole thing is complicated in England.

2085. He may have taken one of the houses, say, in York-street at 20½ a year—that was the normal rent of those dwelling-houses some 20 years ago?—Yes.

Sir James Haslett—continued.

2086. The normal rent at present would be 60½?—Yes.

2087. You would not say that the rent of 20½ would govern that; it must be the present rent, not the rent as fixed by an old lease?—No; it should not be.

2088. It should be the present rental, the present letting value of those premises; and what you desire to convey to us is that in estimating the value of that house the valuer should not take into consideration what trade is to be carried on in it?—Yes.

2089. But that he should merely value it upon the rental of the house, plus (if any) a large amount of structural changes, and not value any internal fittings?—Yes, that is our contention. In England (in London here) there are no such conditions as we have. The brewer buys the public-house, and buys it right down; there is no landlord in appearance; he lets it to a tenant at possibly 60½ or 40½ a year, which is not the true letting rent at all; there is no question of disclosing what he paid for the house at all.

2090. You say that so far as the mode of arriving at re-valuation—or the annual re-valuation—there should be some party who would convey all the information to the valuer, so that every house in the town should be brought up to date and thus avoid inequalities?—The valuers should be as much local as possible.

2091. How is he to get the information? Is he himself to send round one of his hands to observe where changes should take place, or would you ask the taxing authority, or would you ask the collector of taxes to do it, or what?—I think the rate collector is the man most in touch with the ratepayers—with their valuations and their taxes—and he should know exactly what valuation is too low or too high.

2092. You have stated to us that you have a very great objection to the Excise officers becoming parties to send in new valuations, because they are interested?—Yes.

2093. Would the same rule not apply to a tax-collector; I mean would you not be subject to the same danger; is he not an interested party in his commission?—If the ratepayer got notice of there being a revision, and the Revision Roll was published, that could not obtain, or any injustice.

2094. I will come to that question; but you think that the rate collector is as fair as regards machinery, both in town and country, as can be set up in order to convey the information of a necessary revaluation to the Valuation Commissioner?—I do.

2095. Now just a word with regard to assessors. Of course I presume you are in favour of a central authority for valuing?—We are.

2096. I take that from you; but with regard to assessors you are aware that we had assessors elected some time since for such a city as the City of Belfast that sat with the Mayor in certain cases as assessors; they were elected by the ratepayers?—Yes, I understand there was something of that kind.

2097. That was abolished a considerable length of time ago. Suppose you had these assessors, would

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[Continued.]

Sir James Haslett—continued.

would you propose that they should be selected or would you make them an elected body?—I think the corporation should select two men from their own body to act with the Commissioner with equal authority.

2098. Whether for ill or not (my own impression is that it is rather for ill) the corporation has been deprived of the power of doing any "malicious injury"; I am not sure that the supposed injured parties have benefited by that; he that as it may, that which has taken their place has been a very much more costly machinery; but you say that out of the corporation two parties should be selected?—Yes.

2099. Would you say that they should sit first (in the first appeal) with the valuer (say Sir John Barton, setting him up as a typical case), in reconsidering all the points of evidence that were brought before them by the aggrieved parties or supposed aggrieved parties?—Yes.

2100. Would you say that the same parties then again should sit with the Recorder?—No.

2101. Then would you have two classes of assessors, the one selected from the council, the one to sit with the Commissioner of Valuation, and the other to sit with the Recorder?—We suggest a jury with the Recorder, a special jury of six if you like.

2102. How would you select that special jury—would you select it from the Special Jurors' List?—Yes.

2103. I suppose you are aware that the present Special Jurors' List is not what it used to be. I mean it is not supposed to be really the higher class of men whose large experience would enable them to act as special jurors, but that they are taken from special valuations. Would you say that from those special jurors you could get the tribunal you suggest of six, taking them as they would be necessarily summoned? Yes, all the important cases at assizes, and others, go to special juries.

2104. Now, with regard to the question of licenses, is it your opinion that the license should be paid upon the rental valuation? You have said already—and your evidence drifts towards that,—that in all lettings, less or more, (the Lord Advocate, I think, brought it out quite clearly) the rent is influenced by the absence or presence of the license?—I think it is.

2105. Now, suppose a man takes a house at 20*l*. and you make a change and take it at 60*l*., and it is valued at 60*l*., the license has not

Sir James Haslett—continued.

entered into it there?—Do you mean the 20*l*. house as a licensed house?

2106. No; it was taken a long time ago as a dwelling-house, and we change it into a licensed house?—Do you suggest that on account of the change the landlord has increased the rent?

2107. No; assume that the letting value is 60*l*., and that the corresponding value of the adjoining houses is 60*l*., the value of the license has not entered into that; it was no part of the letting; it is not the let premises; it is really a thing that has been created by the tenant, who is to some extent the landlord in these cases?—I do not understand your question, Sir James.

2108. I will take the case of York Street. A house there is taken on a long lease at 20*l*. as a dwelling-house; it is converted ultimately into a shop; all round that place the rent of corresponding places has risen to 60*l*.—that is the value of the rent there, and this house is valued at 60*l*.; the license does not enter into that at all. Would there not then be an inequality between the houses actually let and values as licensed places and this one, so far as rental is concerned?—I do not suggest that you should value that house at 20*l*?

2109. Or at 60*l*.?—I think the 60*l*. would be the fair letting rent in that district.

2110. Your contention is that there should be no increase; you think that this third of increase that has been established by the Act of 1890 should not apply to licenses where the valuation is brought up to the rent?—I do not think it should apply.

2111. Of course it applies at present?—Yes; they have the right to have the 20 per cent.

2112. And they do have it?—They have it in all cases where it suits them.

2113. But you think, where the valuation is brought up to the rental there should be no addition?—No addition. I just want to read shortly from the Report of what was said by Judge Arthur O'Connor, who is one of the Local Taxation Commission, a paragraph with regard to the tenant's interest.

Chairman.

2114. I really cannot take that; it is not evidence, what you would read of what Judge Arthur O'Connor has said. We can take what you yourself say, but we can find "Judge Arthur O'Connor" for ourselves in the book?—Very well.

Sir JOHN G. BARTON, C.B., re-called; and further Examined.

Mr. Clancy.

Mr. Clancy—continued.

2115. You told us that you had issued some additional instructions, I think, to your staff?—When, Sir?

2116. I think you told me. You said, in answer to myself, that you had issued some instructions in lieu of or in addition to those issued by Sir Richard Griffith?—Yes, there have been general instructions issued to the staff.

2117. Since Sir Richard Griffith's time?—Since Sir Richard Griffith's time.

2118. And I think you told me also, or told

the Committee, in answer to a question of mine, that you thought you had power to issue such instructions provided they were within the provisions of the Acts?—Yes.

2119. Do you submit them to the Lord Lieutenant for his approval?—No.

2120. You are aware, of course, that Sir Richard Griffith did submit his, and quoted the Section of the Act of Parliament by which he held himself bound to do it?—Yes; that Section has been repealed since.

2121. There

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Sir J. G. BARTON, C.B.

[Continued.]

Mr. Hemphill.

2121. There is a list that the last witness, Mr. McCasker, referred to, where the Valuations of 1881, 1891, and 1901 are contrasted with the re-valuation?—Yes.

2122. Who was the head of the Department

Mr. Hemphill—continued.

in 1881; it was Sir Richard Griffith himself, was it not?—No; I think Sir John Ball Greene.

2123. Sir John Ball Greene in 1891?—In 1891.

2124. And in 1901, who was the head of the Department?—Myself.

Mr. JAMES DEMPSEY, called in; and Examined.

Chairman.

2125. You are Honorary President of the Belfast and Ulster Vintners' Association, I believe?—Yes.

2126. And a member of the City Council of Belfast?—Yes.

2127. Have you anything you wish to say to the Committee about what alterations there ought to be made in the present law of Ireland as regards the valuation of Ireland?—The Act of 15 and 16 Victoria, to my mind, did not define the principles upon which valuations should be carried out in Ireland, especially with regard to houses. It was very indefinite, I think, and ought to be amended.

2128. You do not think the definition in the Act of 1852 is sufficient?—I do not. Previous to that the deductions were one-third off the gross rent, and in that statement that is in the Act you might assume that the taxes and maintenance and repairs and other matters, said to be paid by the tenant, were to be deducted off the gross rent; and I think, as a matter of fact, they were for many years—I think these were all deducted in the general deduction of one-third.

2129. You are aware that what the Act says is that it is "to be the net annual value, that is to say, the rent for which, one year with another, the same might in its actual state be reasonably expected to let from year to year, the probable average annual cost of repairs, insurance, and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes, and public charges, if any (except the rent-charge) being paid by the tenant"?—Yes.

2130. That is the Act I have quoted to you?—Yes.

2131. Well now, what is wrong in that?—The net annual value certainly does not refer to the same thing as the gross annual value.

2132. Of course not. Look at the top of page 2 of Appendix No. 1—the statement handed in by Sir John Barton?—Yes; I have that in this statute here.

2133. Very well, that is all right. I ask you what you consider wrong in that?—The "net annual value" is stated here. I look upon that as a sum after the deduction of something.

2134. That is what it says. I take it you would not propose that the valuation should be the gross annual value?—Certainly not.

2135. It is not to be the gross annual value, the Act of Parliament says. It says it is "to be the net annual value, that is to say," and then it explains what the net annual value is?—Yes.

2136. "The rent for which," and so on; now

Chairman—continued.

what is wrong in that? The assumption recently has been, I think, that the gross rent is taken so long as the tenant pays the outgoings of this description.

2137. "The rent for which, one year with another, the same might, in its actual state, be reasonably expected to let"?—Yes.

2138. Do you think that is a wrong principle of valuation?—If it is to be reduced to the net annual value, it certainly should not be estimated (as it has been in recent years) at about the gross annual value—in fact, what I would understand as a rack rent.

2139. We have nothing to do, you will observe, with whether in recent years the valuer has gone right or has gone wrong; we have got to do with the Act of Parliament. You have said that the definition in the Act of 1852 is a bad definition?—Yes.

2140. I point you to the definition, and I ask you what you think is wrong in it?—I say there is a definition of the "net annual value," but there has been no principle followed in the valuation of houses in cities which would give any ratepayer an opportunity of ascertaining how that net annual value was arrived at.

2141. If the valuer acts in accordance with the Act of Parliament (if he does not, of course, he must be put right) he takes "the rent for which one year with another the same might in its actual state be reasonably expected to let," and then from that he makes certain deductions. The rent for which, one year with another, in its actual state, it might reasonably be expected to let in the rack-rent, is it not?—It may be the rack-rent, but the "net annual value" is the thing that we do not get any explanation of; that is to say, how he arrives at that.

Mr. Hemphill.

2142. Is that the fault of the Act or the fault of the administration of the Act?—I believe it is both. In previous Acts there was a "third" deduction.

Chairman.

2143. We must take one at a time, you know Mr. Hemphill says: Is it the fault of the Act or the fault of the administration of the Act. You say both; we must take one at a time. I think this is what you mean—tell me if I am wrong. Do you mean that instead of having a list of deductions, as here, probably the annual cost of repairs, insurance, and so on, as the Act of Parliament says, you think there ought to be an overhead deduction of one-third fixed?—I am not quite satisfied that it would be sufficient in such

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Mr. DEMPSEY.

[Continued]

Chairman—continued.

such cases, but there should be a schedule of definitions or deductions attached to any legislation that takes place now.

2144. You mean an actual arithmetical deduction?—Quite so. I look upon it in this way: I have as good a right to attack my neighbour's valuation as he has a right to attack mine, and I do not see how I could arrive at either my neighbour's or my own in the way the valuations have been carried out in Ireland under this Act; I certainly could not do that in the case of a lot of large premises.

2145. I think your view is that there ought to be a certain mathematical deduction fixed for every case in an Act of Parliament?—Quite so. I have here the instructions of Sir Richard Griffith.

2146. Never mind the instructions of Sir Rich Griffith?—I have them here.

Mr. Hemphill.

2147. Would that be a third or a fourth, or what—I want to understand: Do you mean there should be a given third deducted from the gross rent, or a fourth, or what?—The Belfast Corporation came to a decision to the effect that a third should be deducted from the gross rent.

Chairman.

2148. Do not you see that that of course reduces to a seeming uniformity subjects which, in their actual condition, are not at all uniform?—If there is to be an alteration we should have it defined in such a way that each person would understand it. Now I could give you cases where a rental, say, of 4s. 6d. a week for small houses, was wrought out by Sir Richard Griffith when the taxation was about 4s. in the £ (in Belfast we are nearer 9s. I think, at present), and he brought the valuation according to his own list down to 6s.; and I could give you cases of my own where I have appealed several times, and the figure was kept at 7s.; and in the English Tables that I have seen, for a similar house the valuation is 6s.

Mr. Hemphill.

2149. What is the letting value—the rent?—Four shillings and sixpence per week. I have cases of my own.

Chairman.

2150. We shall never get any further by taking individual cases?—What I want to show, my Lord Advocate, is this, that in these deductions the valuers have not gone into them accurately at all, and unless they are compelled by statute to enter into these deductions with precise accuracy, injustice will continue to be done under any valuation.

2151. I quite understand, of course your view that there ought to be an actual arithmetical deduction, because then there could be no doubt about it?—That is my view.

2152. That is your view; I want to ask you this question upon that: Is it not quite obvious that the cost of repairs in a certain house will necessarily be a great deal more than the cost in another, according to the condition of the house?—I think the valuer has got a table for that.

Chairman—continued.

2153. Never mind a table; just please attend to the question; it is the case, is it not, that the actual cost of repairs in a house which is in good condition will be very much less than the cost of repairs in a house of the same class, but which is in a bad condition?—Yes, that is so; according to the class of house.

2154. Do not you see that your plan of having a fixed mathematical deduction will make the same deduction in the case of the two houses which, as a matter of fact, are very differently situated in the matter of repairs?—I think that there could be a definition as readily fixed here as by an inexperienced valuer attending in Belfast.

2155. I will put it to you in a concrete case. Suppose a man had a house in a particular neighbourhood of which the rack rent was a hundred a year, but the necessary repairs for up-keep were 5l. a year?—That would be very low, I think.

2156. I will take anything you like?—I am not attempting to take a proper figure. Suppose another man had a house there also, of which the rack rent was also a hundred a year, but the necessary repairs were 20l., do you not think that the value of those two houses in the market would be different?—I think they ought to be different.

2157. Do you not see then that if you had the provision in the Act of Parliament that you have suggested—having a fixed mathematical deduction—the value of the two houses would be the same?—I do not think so.

2158. Why not?—You might make the differential deduction in the case of the business that I am representing here. I do not know any business where there is so much wear and tear and necessary repairs.

2159. Really that is not an answer to my question; you are getting very far afield?—I think the variations can be defined in the same way as is done here. The difference in the variations that I do not agree with is in the case of such small houses as I have referred to according to class.

2160. One moment; you have the advantage of us; you say "the variations here"; I do not know what in the world you are referring to?—I refer to houses at 4s. 6d. a week valuation, but there are different prices here.

2161. But why do you say "here"?—This is Sir Richard Griffith's instructions published in 1882.

2162. Sir Richard Griffith's instructions of course are only instructions to his own valuers as to in what sort of way they are to proceed to carry out the Act of Parliament?—He seems to have issued instructions for different classes of property; first, second and third class.

2163. Yes?—And in the (1), (2), (3) of each class he brought the valuation on the houses that I refer to, down from 9l. 7s. to 9l. 1s. 6d. from 8l. 16s. to 8l. 10s. 6d., and from 7l. 18s. to 7l. 8s. 6d. The latter are more ancient houses.

2164. That of course can only be an illustration of the consideration; it is not an actual valuation, of course?—In the case of houses of 4s. 6d. per week he had a valuation from 6l. to 3l. 10s. in the same way.

2165. I

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[Continued.]

Chairman—continued.

2165. I am very sorry; we are getting very very far afield from what we are after. You began by saying that you thought the definition in the Act of 1852 was not a good one?—I think it is not.

2166. I asked you what definition you would substitute, and I understood you to say that the definition you would substitute was, that instead of having deductions specified as for the cost of repairs, etc., etc., you would be preferred to deduct a fixed mathematical proportion?—Yes.

Mr. Charles Douglas.

2167. Uniform, I understand?—Yes.

Chairman.

2168. A uniform mathematical deduction?—Yes.

2169. I then point out to you, in order that you may explain if you can, that necessarily the result of the fixed uniform proportion would be that houses which in actual value were very different, would be valued at the same?—Well, I do not see how they could be so very different in the matter of repairs and maintenance, unless according to a greater age. I do not know whether your Lordship means that, or not—older houses—houses having a greater age than other houses.

2170. How in the world could you put in an Act of Parliament that the deduction for an older house was to be so much and for a newer house so much?—I suppose you could arrive at it by percentages. In the English Act there are percentages scheduled.

2171. In the English Act you know (the English system of valuation) is "the annual value at which they would let from one year to another"?—But there are deductions, my Lord.

Mr. Duke.

2172. Not fixed by Act of Parliament; that is left to valuers?—The maximum is fixed.

Chairman.

2173. No; I think you are completely in error about that?—The maximum is fixed.

2174. Oh, no. What are you referring to?—I am referring to the Valuation of Property (Metropolis) Act, 32 and 33 Victoria.

Mr. Duke.

2175. There is a different system in London to the general system, the system that the Lord Advocate was speaking about?—I think this covers it.

Mr. Hemphill.

2176. Suppose a building was let at a hundred pounds a year, and a similar house, an old house, next door to it,—about the same quality, of course,—was let at some other figure, would you deduct the third from the hundred a year, and also from the rent paid by the old house?—I would, but I would give a larger deduction for the old house for maintenance and repairs.

2177. Then it would be a fixed deduction?—I think it would be a fixed deduction.

2178. A third in every case?—I do not say a third for certainty. I think a third is the minimum.

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Mr. Charles Douglas.

2179. But you would recognise, would not you, that some classes of property are more costly to maintain than others?—Yes.

2180. Do you mean that the deduction should be uniform in the case of property more expensive to maintain and of property less expensive to maintain?—I do certainly; I would not draw a hard and fast line, but I think there ought to be a general deduction.

2181. You would ignore the differences in actual cost and impose a uniform deduction?—No, I did not say so—I did not mean that. I think they should be uniform according to the class of property.

Sir James Hackett.

2182. Is it a graduated scale you mean?—A graduated scale according to the age of the property, and I would make those allowances independent for valuation purposes—those which had relation to the life of the premises. That is not described in any definite words in the Statute.

2183. The Lord Advocate was anxious to know whether you adhered to a fixed one-third or whether you would determine that it should be a graduated scale, and that the power of varying should be in the hands of the valuer?—I would leave as little power in the hands of the valuer as possible.

2184. You cannot describe every house or street in an Act of Parliament?—I do not suppose you could, but in many places in Belfast we could have them settled without any difficulty.

Mr. Charles Douglas.

2185. The difficulty, as I understand, is how to get uniformity?—Uniformity is the object that I have in view; a uniform figure.

2186. Uniform deduction?—I did not mean to say uniform for every description of house, but uniform for a description of house, no matter where the houses were situated.

Chairman.

2187. Would you like to have a schedule appended to an Act of the maximum deductions to be made, on the model of the schedule that is appended to the London Valuation Act?—I would prefer "minimum" deductions in place of "maximum"; I think "maximum" gives the valuator power to allow nothing at all.

Mr. Hemphill.

2188. What is the reference to that London Valuation Act?—33 & 34 Vict.

Chairman.

2189. You would alter the London Act in this way, that you would give a scale of minimum deductions that the valuer must make, leaving him to deduct as much as he liked?—I think he should not be at liberty to deduct as much as he liked, but, I think, he should be compelled to state what further deductions were made and the reason for them. I look upon it as of the greatest possible importance that we should have the figures definitely stated to us in some fashion or other: I think, hitherto, they have

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[Continued.]

Chairman—continued.

had a full swing of their own will; and there are cases where the valuations were not rightly carried out which have been given repeatedly in evidence before Commissions and Committees, and are going on still.

2190. Your great objection seems to be that you want to inquire into your neighbours' valuation?—I am entitled, according to the present law to do so, and I have no figures by which I can do it.

2191. There is no difference, of course, in this matter between the law in England and in Scotland and in Ireland; that is to say that the valuation tribunal, whatever it is, has to do its best to apply the Act of Parliament to each particular case?—I think there is a difference and a great deal of difference, and I think it is a very important matter how the differences have grown up.

2192. What difference is there?—As far as I can see, in Scotland they take the gross rental when they can get it.

2193. They must. And then they have to make certain deductions afterwards for the purpose of taxation?—I am not aware of what the deductions may be, I have not seen that they are defined.

2194. Would you like the Scotch system of taking gross rental whenever it is got?—I would not. I disagree with my friend who preceded me about taking gross rent as a basis. I know plenty of cases where the taking of the gross rent of the premises would destroy the interest of many people in a street if it were taken. I think the average rent is what ought to be taken; I think that was the intention of the Legislature.

Mr. Hemphill.

2195. What do you mean by the "average rent"?—What the house would let for—taking one year with another—not the rent paid by a person coming in for a year or two, and then shifting away from the city again after paying that rent for the short time.

Chairman.

2196. Take the case of a person who actually pays the rent—it goes into the landlord's pocket, does it not?—It depends on how he has let the premises.

2197. I may take it that the premises are let for a rent, and for a payment down; it goes into the landlord's pocket; is there any reason why the landlord should escape taxation on the value he so receives?—I would not allow him to escape in such cases as these in which he receives the net annual value of his premises; but I would not like to tax him on what he does not receive.

2198. A moment ago you see you said you objected to the system of taking the gross rent, because it might represent, not an average rent, but a rent that was being paid for a short period of years. That is what you said a moment ago?—I referred to exceptional cases in a particular street.

2199. Then, if the landlord actually gets the rent, is there any reason why he should not pay upon the value he so receives?—I am not satisfied that the principle is a safe or equitable one

Chairman—continued.

at all,—to take rent as the value of a street of houses. I am not satisfied of it.—I do not know.—In other countries it is done by squares and ground areas.

2200. Do not you see that all things like squares and ground areas and all that, are only a means of getting at an end, which is, what the annual value of the thing is in the market?—You see, my Lord, it is this way—

2201. Just answer that question, if you can; do not you see that all these various plans are only a means of getting at an end, the end being what is the actual yearly value of the thing in the market?—Yes, I could quite understand that, if it was applied proportionately and uniformly as the Act of Parliament implies; but if you take the actual rent for the purpose of assessing a man for his taxes, I cannot see that it is a reasonable proposition to make him pay high taxes in addition to paying an enormous rent.

Mr. Hemphill.

2202. Do not you see the Act of Parliament does not talk of the rent that the house is let for, but what it might "be reasonably expected to let for from year to year"?—Yes.

2203. That is quite independent of the rent that is actually payable under the lease?—Yes, I quite agree.

2204. I might get much too high a rent under a lease, but that is not the standard of valuation under the Griffith's Valuation Act. There it is, "the rent for which one year with another, the same might in its actual state be reasonably expected to let from year to year" in the market. Then you go into the market?—Yes.

2205. There is an old house; what would I get for that from year to year?—I think the valuers have lost sight of that portion of the Act of Parliament.

2206. I think they have too?—And until they are brought back to it by some very strong and stringent legislation they will continue the same course of procedure, which is a very bad one. I could give you cases of it myself.

Chairman.

2207. I have endeavoured to get from you what you would like altered in the Act; what do you think is wrong in the practice?—The practice that prevailed at the last revision, so far as we understand it, was that a number of English valuers were sent over to value Belfast.

Mr. Charles Douglas.

2208. Do you mean the general re-valuation?—The general re-valuation of a year ago; the valuation that is hung up.

Mr. Clancy.

2209. Is it revision, or re-valuation?—Re-valuation; it is currently reported that there were seven, out of 11, Englishmen, and that several of them were auctioneers' clerks of about two years' experience in an auctioneer's office.

Chairman.

2210. That may be so, and it may not be so, but that is not a question of practice. I mean what is wrong in that? You must try and discriminate

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{Continued.

Chairman—continued.

discriminate?—We ought in the first place to have the valuations so defined that a clerk in any establishment might check them and see whether they were correct or not. That is my first proposition. In the next place we ought to have qualified men who could make these calculations and make no mistake, or if there be a mistake, that it would be apparent on the face of the Field Book or whatever book they have, so that the figures might be put to rights. Now, as I understand the principle at present is this: one man goes out and makes enquiries; he takes measurements; these measurements may be right or they may be wrong; the enquiries he may have made may have received truthful answers or the contrary; I do not think they bring themselves properly into touch with the people—(the valuers)—and I am sure Sir John Barton did not come round the houses; if he had done so I think I would have seen him somewhere.

2211. It is pretty obvious that one man cannot himself value 80,000 houses?—I think he got the information and the books at his office in Dublin.

2212. After all valuation must be done by somebody?—That is so. I see the difficulty of it, and what I desire to get is as fair a principle as possible and as few deviations as possible.

2213. Can you suggest any fair principle except the principle of annual value in the market?—I look upon the average of a district as very important, the average rents or values of a district. A stranger might go into a street, like High Street, and conclude that the whole of High Street was worth the same amount of money. I do not know whether Members here know that street (Sir James Halettt knows it), if they do they may know that from Bridge Street up to Donegall Place the houses are of much higher value than they are lower down.

2214. One moment; just let me stop you there. Taking this particular place where one half the street is of more value than the other, is your view that the persons in the half that is of the higher value should pay upon that and that the persons in the lower should pay upon that, or that each should pay upon the average of the whole district?—That is another question. I do not know whether I would be wise in discussing that with the Committee, but I think when the original valuations were made—

2215. No, no; I must hold you to that question?—I will come to that if you will allow me, my Lord.

2216. Then just answer it first?—When the original valuation was made, it was intended that it should be at the same rate all over the city. That is my opinion of it.

Sir James Halettt.

2217. Now, wait a moment, I want to get exactly at the application of that; do you mean that a foot of ground in High Street would be of the same value as a foot of ground at Windsor?—For local taxation purposes I do not see that it makes a particle of difference; and I would supplement that by saying, I do not see why the tenant should pay for the value of the ground rent to local taxes.

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Sir James Halettt—continued.

2218. That is another question?—It is a very large question.

Chairman.

2219. It is not a question before this Committee?—I do not want to elaborate it.

2220. At present the valuation is done by the Commissioners; then there is an appeal to him again; then there is an appeal to the Recorder in the city, and then an appeal to Judges?—In our district we are not very fond of infallible people, and the proposition is to leave the whole matter to the Commissioner of Valuation. I do not know that there is a parallel case to be found in the three Kingdoms of such authority as he exercises.

2221. At present his judgment, such as it is, is liable to be upset by the Recorder, and then again by the Judges?—My friend who preceded me said, I think, enough upon that subject. I am not speaking of the Recorder as regards his impartiality; but when you produce valuers that are recognised by a Government Department before a Judge in one of the Courts, he leans to the Government Department; that is my verdict.

Mr. Hemphill.

2222. You cannot get on without Judges, you know?—I admit that.

2223. You would never get any tribunal that was infallible?—We have an opportunity even in the common law to go to three and four Judges, or five Judges, and we have only one in these cases.

Chairman.

2224. All I want to get at is, if you do not like the present system, what system would you like?—Well, I think there is nothing against a jury. I was a special juror at the last assizes in the case of a traverse, in which the Belfast Water Commissioners were concerned. The case was determined first by the Local Government Board Arbitrator, Mr. Ryan, and he gave a certain sum of money. The parties had the right to traverse the case, and came before the Assizes. We heard all the evidence, and we altered the figures; and, to give an idea of what the valuations were, and the sort of valuations that are going about, if they get a free hand, the Water Commissioners began with a figure of 250*l.*, and got up to 1,300*l.*

2225. Was this a compensation case?—Yes, for land taking.

2226. We have had plenty of experience of the variations in figures in those cases?—In that case the other side began with a figure of 3,183*l.* and finished with a figure of 3,800*l.*

Mr. Duke.

2227. Did you strike an average?—We did not strike an average, but we altered the figures of the Arbitrator. The Arbitrator gave 570*l.*; we gave 900*l.*

Sir James Halettt.

2228. Would it be divulging any secret if you told us how you arrived at that figure? Did you take the twelve opinions, and add them together

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Mr. DEMPSEY.

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Sir James Haslett—continued,

and divide by twelve?—No, we did not, Sir James; but I have seen that done.

2229. I have heard of its being done?—But I would not be a party to it.

2229*. No, nor would I?—I could give you the figures, and how they were arrived at. I had a hand in making them out.

Chairman.

2230. Is your evidence then that you think it would be a good plan to have the appeal from the Commissioner to a jury?—I think so. I think there is a limit to expenditure; the expense should be small.

2231. Have you any other propositions to make as to the future of valuation in Ireland?—I need not tell you about the state of feeling that there is in the City; it is very strong.

2232. That is upon the Belfast re-valuation?—Yes; we have had public meetings in the city.

2233. I do not mind about that?—I look upon the taking of the measurement for the fixing of rent as not justifiable under the Act of Parliament. I do not see anything in these Acts that would justify any of the Commissioners to go and take cubical measurements to fix a rent; a penny per cubic foot would make a very great difference in the valuation.

2234. Are you not aware that in other parts of the Kingdom the cubic is a very common form of arriving at what the valuation is to be?—In this case of the valuation of Belfast, it seemed to me that the whole matter was measurement, and no person ever saw a sketch of the premises they measured. I would insist that a sketch of the premises they measured should be given to the persons concerned, so that they might see whether there was not some other person's premises added to their own, if it was to be a question of measurement. I do not understand the principle of measurement, and I think there is a great deal that is wrong in the way that it is gone about.

Mr. Heaphill.

2235. I suppose the cubical measurement is only taken as an element in arriving at what the letting value is?—I do not think the valuers in Belfast took any individual person's estimate of what the value of the property was. I think they just cubed it, figured it, and pleased themselves about the figure.

2236. Apart from the question of what was the letting value, or of what was the selling value?—I know they gave evidence about one case that was quoted here—the house of James McCusker; they valued that house at 960*l.*; I know a little about building, and I would build a better house for less than 500*l.* I have known that house for 40 years myself, and it was an ancient house 40 years ago. I think measurements give them an amount of scope, which would not be justified, and cannot give satisfaction, no matter whether it takes place in Dublin, in Cork, or in Belfast.

Mr. Clancy.

2237. Do you know whether or not the selling

Mr. Clancy—continued.

value of public-houses has gone up or down of late?—There is an immense slump. We had a visitor or two from Burton on behalf of Messrs. Allsopp and Sons, and they bought generously; they gave prices for houses to the extent of four times what they were worth, and since then the houses are practically unsaleable.

2238. Does that apply to other places than Belfast?—I think it would apply generally to other parts of Ireland. The population of Ireland has been decreasing, and the consumption of spirits has been decreasing.

2239. You have no figures, have you?—There are figures showing that in the last ten years there has been a very great decrease in the quantity of spirits sold in Ireland. There was some increase in beer.

2240. Do I gather from you that one of your chief complaints is founded on this fact, that when you get a valuation as finally fixed, you do not know how it is arrived at, because the various elements that go to make it up are not stated?—Quite so.

2241. And what you want to do is to have it stated in each case why the valuation has been raised or lowered?—Quite so.

2242. And the amount put on for the licence, if anything?—Quite so.

2243. And for repairs, not for re-construction?—Quite so.

2244. And with a deduction to make relative?—Yes; in England they have a column of gross value and a column of rateable value. We have nothing of that sort in Ireland; we simply get the rateable value, that is all; we can take it or leave it. And another portion of the matter is that if we did not accept the valuation, the Commissioner would not give us three figures at all; he says they are *sub judice*; but it is not a very big judgment that is going to be delivered.

2245. I am not talking of this general re-valuation at all, but of the annual revision. Are you or are you not aware of a number of cases in which objection has been taken to the decision of the Commissioner, and that have not been brought to a hearing?—We had a number of cases ourselves, to which I was a party, and the Commissioner, I think, for the first time in the experience of any of us, came down to Belfast and held a Court in the Town Hall, and evidence was given, both by his own officials and by the persons interested, and he brought them back to the old valuation. He said they were cases where structural alterations had taken place; but I know a number of them myself; there was no necessity for singling them out for special revision.

2246. That is not the question I asked you?—I beg your pardon.

2247. I want to know this: It has been stated here that there were very few appeals—that is to say, of appeals brought into Court and judicially decided there?—Yes.

2248. Do you know whether or not, in addition to these cases, there have been objections made to the valuation as arrived at by the Commissioner, and not brought to a hearing for one reason or another?—I know that in the trade I represent here, and that I am very well acquainted with, they were invariably raised beyond every other property in the city.

2249. You

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[Continued.]

Mr. Clancy—continued.

2249. You are not answering the question?—Am I not? I do not intend to evade it.

2250. Let me try to make it plain to you. It is stated that there are only a few appeals brought to a hearing and decided judicially; do you think that that represents the number of cases in which people would appeal, but have not for one reason or another?—I am perfectly satisfied that there would have been a larger number of appeals in recent years only for want of confidence in the Court. They did not expect to get any redress.

2251. Would you say double or treble, or what number more of appeals than those actually brought?—I am sure there are hundreds in my trade that would have appealed if they had thought they could get redress.

Mr. Hemphill.

2252. That is a defect of the system, as I understand you, not a defect of the Judge as an individual?—Not the individual, no. He is an impartial judge; we have no feeling against him.

Mr. Clancy.

2253. Is the failure to bring objections formally before the Court due in any instances to the fact that notices have not been given to the persons affected?—I have been so treated myself, and had to pay the tax for the year before I could appeal.

2254. Are there many cases of that kind?—There is any number of cases of that sort, but, I think, from action we have taken in the Corporation lately, they will not be repeated; I think notice will be given for the time to come; they have been given the last year.

2255. Do you think the Corporation of Belfast has sufficient influence with the Commissioner of Valuation to ensure that he will give special notice in every case in the future to each individual affected?—Yes, we have the list in the first instance, and we can take that step without the Commissioner.

2256. What step?—The serving of notice on the persons whose names are put on the list for revision.

Mr. Lough.

2257. Do not you think it ought to be made imperative on the Valuation Department to serve notice on each individual whose valuation is altered?—I do, certainly, and I admired very much the evidence of the Scotch valuer that I heard here a few days ago. He said he visited the place, saw the person appealing, discussed the matter with him, and tried to arrive at a settlement, and very often did so; but in this case of Belfast it is a case of "stand off" from beginning to end; they will not give you any information or let you know what is going to be done for you. I built a new house, as to which I have had five or six appeals; it was only a dwelling-house. It was valued first at 21*l.*, the rent being 24*l.*; I had to pay taxes and maintenance and everything, and any person who knows Belfast, and knows that the taxes in Belfast are about 8*s.* in the £, will see where I was. The valuation was reduced to 19*l.*; it was then reduced to 18*l.*, and then it was reduced to 16*l.* It was put at 18*l.* in the new valuation, and it is now

Mr. Lough—continued.

at 15*l.*, and I look upon it as a most rascally piece of business; it is not at all the right valuation yet. The house was empty for nine months; I had to reduce the rent 2*l.* a year. This is the way we have been treated and made to pay taxes, because we happen to have built property in Belfast; I think we should be encouraged to build property. That was the intention, I think, as shown by what they did in allowing seven years for buildings in conjunction with farms. In Belfast you can hardly get the building up before you are pounced upon by the valuator.

Mr. Hemphill.

2258. In reference to the jury you referred to, would you be at all apprehensive that a jury might be inclined to undervalue in the case of taxation?—If they were taking their own personal interest into account they might be inclined to over-value; if an over-valuation took place some of them might be saved taxes.

2259. Your view is that prejudice, or their own interest, would not prevent them coming to a just conclusion?—I think a Belfast jury would deal justly with the case.

2260. There would be a conflicting interest?—I think it would induce the valuator—whether it was Sir John Barton or not—to hold his hand, and, instead of driving persons to appeal by an excessive valuation—or even putting on an excessive valuation, whether they appealed or not—I think it would induce the valuator to be more considerate, and his Department requires some check.

2261. As I understand, there is no objection to the present experienced Recorder of Belfast?—I do not hear any; no, I think not.

2262. But you think that such a tribunal is not the best to determine matters of valuation?—He announced himself that he was no judge of such matters.

2263. What would you say, instead of having the present system, of having the County Council of the county, or the Corporation of a County Borough, themselves appoint Assessors (as is the case in Scotland, I believe, and some other places) for the purposes of valuation?—I am not quite sure about the Assessors.

2264. I mean that the valuation should be placed in the hands of the Corporation—the rating body?—I am personally inclined that way, because I look upon the greatest object as being that all this valuation is only for local purposes; we are a sort of Co-operative Society in that respect.

2265. Would not that, in your opinion, ensure a juster valuation?—It would ensure the sympathy of others.

2266. You would have men upon the spot who would be able to ascertain the letting value, assuming that to be the basis?—Quite so.

2267. Is that your opinion?—That is my opinion, yes.

2268. Then you are not in favour of having the General Valuation Department with headquarters in Dublin?—I do not look upon it as a matter that we could commend, from our experience.

2269. As I understand, you object to the present

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Mr. Hemphill—continued.

Mr. Duke—continued.

present way in which the valuation lists are prepared?—Quite so; and the fact that there is no information.

2270. I think I understood you to say that there ought to be columns, as it were?—Quite so.

2271. Tables—tabulated columns?—Yes.

2272. One heading would probably be the letting value from year to year?—Quite so; the gross.

2273. Putting out of the case the fact of there being leases, you would have the letting value ascertained of each house?—It appears to me you must.

2274. That would be one heading?—Quite so.

2275. Then would you have a separate heading for the deductions in respect of the repairs, insurance, and so forth?—Just so.

2276. And that ought to be there so that any one who reads can see how it is, you say?—So that any one who reads can see how it is; yes.

2277. You are also of opinion that when an alteration is made in taxation, a specific notice should be given to the person affected?—No doubt.

2278. In the shape of a demand note or something of that sort?—No doubt; and another matter I might explain. In 1860 and 1861, the valuation lists of all Belfast were published in a book for sale (we have a copy of it here if any gentleman wishes to see it), and since then there has been no publication of any lists; on the late occasion there was no printing of anything; and I think that getting a list or to have it lying in a room like this for a short period of a week or two, or whatever it is, is not all sufficient to allow any ratepayer to see what his neighbour's property is valued at. There ought to be ample time and opportunity given for investigating those lists.

Chairman.

2279. Of course, you realise, do not you, that in proposing that the valuation should be taken away from Central Department and given to a local body to carry through, two consequences would necessarily follow—first, the Crown would not be bound by the valuation, and, secondly, that the expense of the Valuation Department would entirely fall on the local authority?—I do not go the whole length of that—to remove it from the Central Department.

2280. Oh, you do not?—I think a Central Department would study the application of general principles of value in Ireland, or in parts of Ireland.

2281. I think I understood what you did want, but in answering Mr. Hemphill you went a little too far?—Competent local valuers, I meant.

Mr. Hemphill.

2282. Not men imported from a distance, whether from Dublin or England, or elsewhere?—Quite so.

Mr. Duke.

2283. Have you any confidence in any part of the valuation system?—Well, it is surrounded with considerable difficulty and much doubt.

2284. I do not understand: Is it the question or the department that is surrounded with difficulty?—I think both.

Mr. Lough.

2285. Would you be satisfied if there was a local committee in conjunction with the representative of this department of Sir John Barton's?—I think that is very near it.

2286. You think that would be the best?—I think it is very near it. I am not proposing to formulate any particular detail.

2287. You can only give your opinion?—I would wish a change, for I am perfectly satisfied that they are better in England than we are.

2288. You said you were, I think, the Chairman of the Licensed Vintners' Association?—I am Honorary President.

2289. Of what?—Of the Belfast and Ulster Licensed Vintners' Association.

2290. Is it with regard to licensed houses principally that you want to give us facts?—It is mainly in regard to that; it is in that capacity that I am here.

2291. Did you hear what Sir John Barton said about his principle with regard to licensed houses—that he does not put any value on the license, but that if the house gets a license he values it just the same as he would an adjoining shop without a license?—I heard that.

2292. Do you approve of that?—I do—yes.

Chairman.

2293. That is of course prior to the Belfast re-valuation; you approve of that principle?—I do not see any other for which it ought to be changed.

Mr. Lough.

2294. Then Sir John stated that the increase which has taken place in the last 20 years—which is very considerable—is based upon structural improvements?—Yes.

2295. Now does your experience confirm that?—I think he valued everything in the nature of structural improvements, if it was only a new window which was put in in place of a bad old one.

2296. Put it shortly?—He sometimes doubled the valuation.

2297. You think that he has valued structural alterations too high?—He commenced as if he was come to make a general re-valuation.

2298. Do you remember the cases quoted from Belfast, one of 90*l.* in 1861 that had been put up to 200*l.* by 1900?—Yes.

2299. Do you remember that case?—I think it is a house in York-street.

2300. Do you think that is a fair re-valuation for the structural change that had taken place?—I am satisfied it is not.

2301. Had there been any improvements, in your opinion?—I do know that there have been some improvements, but they are more matters of windows both above and below, and did not add anything to the building.

2302. At any rate, supposing a fair value were put

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Mr. Lough—continued.

put on the structural changes, and a fair increased value, you would approve of that system?—I would. If they were structural changes I would certainly add the structural changes to the proper valuation—the old valuation.

2303. Did I rightly understand that it was greatly owing to the houses that Allsopp's bought in Belfast that the price of public-houses went up for a while?—It was just about that time—and the valuation was begun after that.

2304. Do you know that Allsopp's have been in great difficulties—the Company?—I know they offered me the houses in Belfast.

2305. You do know that; and these houses have greatly diminished in value again, have not they?—They have.

2306. Allsopp's have made great losses?—I think so; that is the opinion.

Mr. Hemphill

2307. You said there was a slump—was it a slump in Allsopp's?—It was because of a considerable increase that had taken place; it was because of a boom that the slump became more marked, but there is a slump beyond that in Belfast, and the valuers know it very well. The valuation question created so much slump that that the people would not invest any money in public houses, and there is no selling of a public house now to a Belfast buyer.

Mr. Lough.

2308. Does the licence inevitably increase the value of the house as a public house?—It is the greed for public houses that has made that arise; if they had had experience they would not be so fond of them; and it is not their own money that they buy them with.

Sir James Haslett.

2309. Have you been able to give us any definite idea as to what deduction you would propose to have inserted in an Act of Parliament. First of all, would you accept the definition here—that the fair value of the premises should begin with being the letting value from year to year?—I would take it as an average letting value for the same description of premises in that neighbourhood; I would not take it for an individual house.

2310. No; but I think you were starting with the general principle that there should be one valuation, whether at Windsor or in High-street?—I was not allowed to develop that.

2311. You withdrew it?—I cannot withdraw it; I have strong views on it, but perhaps the proposition need not arise.

2312. I suppose the letting value of premises from year to year is what you would start with?—I think we will have to adopt that unless we think about something else.

2313. We want to get to some business?—Yes.

2314. What objection do you make to the phraseology of the Act of Parliament, namely, that deductions shall be made: would you alter that phraseology, and, if so, what would you put in?—I think you should get in place of that

Sir James Haslett—continued.

"net annual value," which is defined as the first proposition in the Act of Parliament, the "gross annual value."

2315. That is the letting value—that is rack rent—but how do you arrive at the net?—The net should be arrived at by a process such as I have already described.

2316. I want to see whether you describe a third, or whether you describe a sliding scale?—I think if the landlord pays the taxes, say, on small house property, that the first proposition and the first thing to do, is to deduct the whole of the taxes; that is practically an outlay.

2317. Now take a house at 5s. a week, that is 13l. a year; practically that is a 13l. house?—Yes.

2318. You start with 13l.?—Yes.

2319. The taxes then being 8s. in the £ would be how much?—It would depend upon the valuation. To us the valuation should be 6l., that would be 6 times 8, 48; that would be 2l. 8s. to come off that.

2320. That would be 2l. 8s., that would leave him 10l. 12s. net?—Yes.

2321. Then you take a third off that you say?—Yes. Then I take a third off that for the maintenance and repairs.

2322. That would leave that house at 7l. odd for the purposes of rating?—There might be a little additional allowed, a few odd pence, or shillings.

2323. Are you aware that that is just under the valuation that exists in Belfast; I think I am right in stating that?—I have houses that let at 4s. 6d. a week valued at 7l., and I have appealed repeatedly and got no redress; and in England in this Return, and in the directions to Sir John's own valuers in his own book, the amount would be 6l., and yet I got no redress. This is only to illustrate the case by my own experience.

2324. I am asking you to see if we could formulate something to put into an Act of Parliament,—your alterations?—I think 83 per cent. is a very moderate deduction for a case like that.

2325. That is what you would call the rack rent, I suppose?—That is what you would call rack rent, I suppose.

Mr. Lough.

2326. You have more than that in the case you mentioned?—The actual tax is an outlay; you pay that to the town council or whatever it is.

Sir James Haslett.

2327. Suppose you take a typical case—a house of a hundred pounds rental,—that would mean really a valuation of 67l.?—Yes.

2328. Are you aware that the valuation is about 72l. now?—I think they carried it out on about that principle, but I do not think they have done that with the new valuation.

2329. I do not like to enter into personal cases?—I would not give them any option; I would make it so definite that they would have to make the deduction whether they liked it or not.

2330. Yes, but the Lord Advocate asked a very

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very fair question: Suppose you take a residential place, well built, the rent of which is a hundred a year, and you take a hundred pounds' worth of small house property, would you have a rule of thumb applying a third to each?—No; but I would endorse what the Corporation has done; I would take off a third and if more ought to be taken off I would take it off. I make that the minimum.

2331. I am afraid you are using the Corporation resolution in an unfair way, though not designedly so?—I would not like to do that.

2332. Surely that did not say "a minimum of a third"?—Well, it was not "the maximum," so that we may take whichever we please.

2333. It was not absolutely "a third"?—It was not absolutely a third.

2334. There was to be a sliding scale; the Corporation expressed an opinion?—I suppose that is right, I will not go further than that.

2335. Now just one word with regard to the machinery; you have had a great deal of experience?—Not so much, but I have some.

2336. I think the fourth class of bar to be found in society is said to be the professional valuer; in your experience of men who have gone into the witness box before you in Belfast,

Sir James Haslett—continued.

as men of capable powers—men of great experience in Belfast—could you tell us in relation to any one valuation, a case in which they have come near each other?—I could not, but I am going to rely upon this Committee for giving them a programme.

2337. You speak of local valuers—I ask you could you give us (as many as I have got fingers here) four men who have appeared before you who have come moderately near in their valuations when two of them were on each side?—I could not boast of their harmony of procedure (I could not, it is very very various); but I would give them as little power as possible, and require them to state their figures in full, so that anybody might read them. There is just one matter I would like to add about the value of public-houses, or the purchase money. I hold the opinion that if the outgoing tenant takes away the money there is no reason why the remaining tenant should have to pay taxes on such a sum as he paid, or any part of it.

Chairman.

2338. Provided nothing goes to the landlord?—Even if it went to the landlord.

Mr. WALTER HOLDEN, called in; and Examined.

Chairman.

2339. You are, I believe, and have been, President for about 10 years of the Hotel and Restaurant Proprietors' Association of Ireland?—Yes.

2340. You yourself are the proprietor of the Claremont Hotel?—Yes.

2341. You are also managing-director of the Redbank Restaurant of Dublin, and a director of the Tourists' Development, Ireland, Limited?—Yes.

2342. Which, I suppose, is a sort of hotel association?—The Development Syndicate is for the purpose of encouraging tourists to travel in Ireland, to provide accommodation where it does not exist, and to encourage others to improve their accommodation.

Mr. Hemphill.

2343. Redbank Restaurant, at D'Olier Street, is it?—Yes.

Chairman.

2344. Are you of opinion that the value of the licence ought not to be taken into account in the valuation of the premises?—It is practically of little value now, especially with regard to hotels, for the reason that there are numerous hotels springing up (so-called hotels) with no licence—temperance hotels; but in these temperance hotels the visitors can get all the accommodation and all the requirements they can get in the licensed premises, and they pay no licence duty; so that we are unfairly competed with by these people, and that practically lessens the value of the licence of the hotel proper.

Chairman—continued.

2345. May I ask you this: Do you think that the letting value in the market of an hotel is the proper valuation to put upon it?—The "letting value of an hotel" is a very wide question, because it depends very much upon the district—what you would presume the letting value to be.

2346. I can quite understand that in the particular instance it may be difficult to arrive at a particular figure?—Yes, precisely.

2347. But assuming you have arrived at a figure, have you anything to say against the letting value of an hotel being taken as its value?—I do not understand, my Lord Advocate, what you mean by the "letting value."

2348. I mean the value which you would probably get if the hotel was put into the market for a tenant?—You would take it at the rent that existed, and then you would value accordingly, according to the rate that was upon it already.

2349. As a matter of fact, do premises with a licence let for more than premises without one?—I do not think the licence is taken much into account in the present day, except as an accommodation to visitors, but I think the cost of the licence, the amount that is paid, the 20*l.* per annum, quite represents the value of a licence to the hotel. It is very different to the case of a publican, although they are only publicans' licences. You see, the hotels provide accommodation for people away from their own homes, but the publican provides refreshment for people who are living at home.

2350. Still, as I understand, you do not seem to me to put forward any objection to the letting value of the hotel being taken as the value; all you say is that you think nowadays the possession

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Chairman—continued.

of a license does not very much enhance the letting value?—No; only as an accommodation to the public, excepting in particular districts.

2351. Supposing it did. Let me take first the case of an hotel which had hitherto been occupied as a temperance hotel; do you understand the point?—Yes.

2352. Let me suppose that the old tenant went away, that a new tenant came and got a license, and that the result of that was that he gave the landlord more rent than the old man had given him: have you anything to say against the new man being taxed upon what he actually pays?—I think the tax he has actually to pay for the license is sufficient.

Mr. Hemphill

2353. What is the hotel license?—20*l*.

2354. Is that the minimum?—For anyone rated at 50*l*, a year or over. It is rather hard upon the smaller hotels; for instance, they have to pay the same license.

Chairman.

2355. You see, of course, do not you, that whatever may be the policy of a license duty, the payment made is made to the Imperial Government?—Yes, I understand that.

2356. Whereas the question of the valuation affects your local rates?—Quite so.

2357. Is your view that because you have paid the Imperial Government a certain sum for a license, you therefore are entitled to buy exemption from local rates upon what you admit is an enhanced value?—The enhanced value is very little. For instance, if I might explain myself in my own way, in an hotel property you have to lay out a very large amount of money compared with other businesses to realise the same results; for instance, you may expend 6,000*l*. upon an hotel, and if you want a boot-shop or a hat-shop or a wine merchant's place you expend very little, and have just as much profit, and probably more, and why should the hotel-keeper be taxed more heavily than other traders?

2358. Do not think that I do not appreciate that a man who spends a certain amount of capital upon an hotel—with, perhaps, a very short season—cannot be treated upon the percentage upon that capital in the way in which you would treat the expenditure upon a boot shop in a big town; I am not keeping that out of view—but I am supposing that in some way or other you do get the ordinary market letting value?—It is arrived at, I believe, in the same way as in any other business by (probably) the average of three years' profits, or the total three years' profits as representing the value of the interest in the house, whether an hotel or anything else; it is arrived at in the same way.

2359. It occurs to me that your objection is not one of principle, but is simply a sort of appeal to the effect that hotels ought to be taken easily upon the question of value, looking to the great risk of their business?—And in the present state of business in Ireland that they cannot bear any further burden; they are too heavily burdened at present; several have gone to the wall in consequence. A large amount of money has been expended on developing hotels in different parts of the country; they have, perhaps, got through some short seasons, and then they have had to be taken up by railway companies at an absolute

Chairman—continued.

loss, instead of making a gain. The matter is in the same position now, and if any further burdens were imposed it would be disastrous, and would cripple any further efforts in that direction at the present moment.

Mr. Clancy.

2360. Is that the case, although the tourists have increased in number?—They have increased in number only this year, and that is on account of the Cork Exhibition; but there is a great effort being made—in which I am greatly interested—to induce tourists to come to Ireland and see what it is like, and leave their money there. The people of the country have gone away to a very large extent.

2361. It has gone down?—It has gone down badly.

Mr. Macartney.

2362. Those observations of yours would apply to the tourist districts; they would not apply so strongly, say, to Londonderry or Belfast, would they?—They would apply very strongly to Dublin; I am not so intimately acquainted with Derry and Belfast.

Mr. Hemphill.

2363. Why to Dublin?—Several of the hotels there are in a very bad way now; they have had to re-construct, and so on; I would not like to mention the names of them publicly; they would not thank me for doing it; but I may say that one hotel, which a few years ago was making 2,800*l*. a year profit, is not now making 500*l*.

Mr. Macartney.

2364. Do not you think that is possible, because they were not up to date?—No, it was because they were damaged by competition becoming keener—owing to these non-licensed houses to a great extent.

Mr. Clancy.

2365. You think they cannot bear any additional burden?—They cannot indeed; many of them are just paying their expenses, and if they got any further burden put upon them it would just turn their present trading into a loss.

2366. And you think that if an addition were made to the valuation because of the certificate to sell liquor that would be taxing them twice; you already pay the license?—We already pay the license.

2367. Do you consider you would be taxed twice?—Certainly.

2368. For the same thing?—For the same thing, yes.

Mr. Hemphill.

2369. You say that the competition of the temperance hotels (we will take Dublin) has injured the licensed hotels generally?—Yes.

2370. I was under the impression that they could not give any spirituous liquors in the temperance hotels?—A good many are under that impression, but you will find that they do in many cases.

2371. Do you mean to say, as a matter of fact, that they do supply spirituous liquors?—In most cases any of the visitors can take in all they wish, or in other cases they can get it provided through the proprietor; whether he sends out for it or how he gets it I cannot tell you; but the visitor gets it; he gets what he requires.

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2372. Then

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Mr. HOLDER.

[Continued.]

Mr. Hemphill—continued.

2372. Then it does not follow that the temperance hotels are essentially temperance?—No; that is my contention, and that if they allow these liquors to be consumed there they should pay the licence as well as the others pay it.

2373. I want to quite understand your answer to my friend Mr. Clancy—that you think your having to pay the heavy tax of 20l minimum on a certain valuation ought to clear you from any further taxation in respect of being an hotel keeper?—Yes.

2374. On what principle do you say a licensed hotel ought to be taxed. I want to have your view now as a practical man?—If it be taxed at all outside the present regulation I should say on the volume of business or on the net profits.

2375. Would you be satisfied to have your average annual profits taken for three years?—It would depend upon the rate they would wish to charge. I mean so much per cent. or whatever it would be; it would have to be a very low percentage if that were done. It is very unfair in these small country districts to have to pay the same licence as a house in a city that does perhaps twenty times the volume of business.

Mr. Lough.

2376. "The same licence"?—The same amount.

Mr. Hemphill.

2377. That is Excise Duty; but is the house valued on the same principle. We will take a large hotel in Galway for instance; is that valued on the same principle that the Shelbourne Hotel at Dublin would be valued upon which is open all the year round and generally overcrowded?—Yes, I should say so; I do not know about Galway much; but I know the City and surroundings.

2378. They are all open in Galway throughout the year, but in the country parts of Ireland there are very large hotels which are very full in the summer season and empty the rest of the year?—Yes.

2379. Do you say they ought to be valued on the same principle as the hotels in Dublin that are constantly running and constantly sending visitors away from their doors?—I say all the circumstances should be taken into account—the class of trade, the volume of trade, for over how long a period—which is tantamount to the receipts—and the result.

2380. Are you aware that under the existing Valuation Acts there is no distinction made between hotels and licensed houses and other houses; they make the value always the annual letting value subject to certain deductions?—I did not quite catch that question.

2381. In valuing an hotel there is no difference recognised in the Act of Parliament between the mode of ascertaining that value and ascertaining the value in other houses?—Oh, nothing at all—no.

2382. You ascertain the letting value of the hotel?—Precisely.

2383. What it would let for from year to year?—Yes, for ordinary rating purposes.

2384. Taking certain deductions?—Precisely.

2385. In that way why should you take into account the profits at all?—Because I say in the smaller hotels you pay the same 20l. as for the Shelbourne.

Mr. Hemphill—continued.

2386. That is the licence?—That is the licence.
2387. You keep distinct the valuation for the purposes of rating, and the duty that you have to pay to the State for the privilege of selling spirits?—In many cases, if the "profits" were accepted, there would be nothing to pay at all.

2388. It would be more favourable in fact than the present system?—More favourable to the holders of the property.

2389. To the tenant of the hotel?—Yes.

Mr. Duke.

2390. Are hotels mostly let to tenants?—In many cases; they are lessors; they generally have long leases.

2391. If a man were taking a new lease, I suppose when the old lease came to an end he would consider whether the hotel would be full all the year, or empty half the year?—Certainly.

2392. He would consider whether the Licence Duty would be a heavy duty upon him?—Certainly.

2393. He would consider his other outgoings?—Certainly.

2394. Then he would make up his mind what rent he would pay, if he was a sensible man?—The amount is previously fixed; it is not a question of whether he will pay the rent he considers, because the rent is fixed already.

2395. Before the man agrees to pay the new rent, he will consider all his outgoings, will not he?—Do you mean upon a new house?

2396. No, when he is entering upon an existing house—that is what the man will do if he is a business man?—Yes.

2397. When you have arrived at the sum you can pay, you have arrived at the value of the premises, have not you?—The sum he can pay.

2398. The sum he considers he can pay as rent. You have then arrived at the value of the premises?—He buys that house subject to the rental which is named by the man he is taking or buying it from.

2399. Would not he take that view as a man of business?—Yes, he may be right or he may be wrong.

2400. When he has arrived at that figure, as the rent, the business value you have got the fair value of the premises?—I could not say it is so; the man may be a fool.

2401. I am not assuming that hotel keepers generally are fools?—I cannot say that his value should be the rent taken.

2402. You do not suggest, do you, that because some people may be fools the valuation system should be dislocated in order to compensate fools for their folly?—I am not advocating anything of the kind.

2403. Is that your view, that if you have arrived at the business value between man and man that is a fair basis for rating?—If it is between man and man.

2404. Where could you have any other test than between man and man?—In each and every case the man acts solely on his own responsibility and his own opinion; another man may have a very different opinion of the value of the rent.

Mr. Lough.

2405. What do you complain of in the valuation of these hotels in Ireland?—I understood from

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Mr. HOLDER.

[Continued.]

Mr. Lough—continued.

from what I have read and heard about this inquiry, that it was intended to put an increased valuation upon hotel property and restaurant property in Ireland; so I understood.

2406. I cannot tell you anything about it, but why do you think that?—Because I understood from the evidence of Sir John Barton that the purchase value of all licensed houses was to be taken into account in fixing the further rateable values.

2407. Should you think from your knowledge of the state of hotel properties in Ireland, that it would justify such an increase?—Certainly it would not.

2408. Have you any experience about how hotels in the country districts are rated at the present time; can you give me a definite hotel?—How they are rated?

2409. Yes?—On what method do you mean?

2410. Or what amount; do you know anything about them; take the hotel at Killaloe, do you know how that is rated?—About 60*l.* or 70*l.* probably. That is one belonging to the company I am in.

2411. Do you complain of the amount at which any of them are locally rated?—No. What I complain of is that if a change is to be made they should not pay the same license-tax that is 20*l.* I submit that they should not pay the same license duty there as for the "Shelbourne Hotel" in Dublin. I think that is a great hardship.

2412. They would not do it?—They only pay 20*l.*, the same as the small hotel at Killaloe.

2413. You think that paying the license duty, therefore their valuation should not be raised on account of their having the license; that is all; that is your point?—I say the license should be taken into account, because the 20*l.* is more than enough to cover the difference, if there is a difference.

2414. You say that the hotel-keeper ought not to be subject to that?—Yes; the hotels are not paying.

2415. Therefore any increase would be a serious thing?—Yes, distinctly, and a great hardship.

Mr. Charles Douglas.

2416. If you were offering for an hotel you would consider the business that could be done, the profits made, and you would consider the expenses?—Distinctly.

2417. And among these expenses you would consider that you would have to pay the 20*l.*?—And deduct that as part and parcel of the expenses.

2418. You would expect to do that and make a profit?—We all rent hotels in that way.

2419. And you would either give or not give the rent fixed as you thought you could or could not make a profit?—The rent is always fixed before you go there.

2420. You would decide to give it or not according as you thought the expenses would leave you a profit?—Rent and premium.

2421. What you would pay in rent would be paid after considering the expenses which you would incur?—If I may say so that is not the way at all. There is the rent fixed before you

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Mr. Charles Douglas—continued.

negotiate for any house, and you take that into account as a working expense.

2422. The rent is fixed?—The rent is fixed.

2423. In view of other working expenses?—It is a standard thing; you have to take the house at a certain rental, and it is not a question of increasing it or decreasing it; there it is; then you have to put your own money value upon it as it exists with all the other expenses.

Mr. Macartney.

2424. If the house cannot be let at that rent the landlord will eventually lower it if he likes?—If he likes; but he can keep it in his own hands—if he likes.

2425. If he is a fool?—If he is a fool.

Sir James Haslett.

2426. We get rather a new idea from you—that the value of the hotel should be fixed by the profits, of (you say) three years?—I should not like to make that a hard and fast rule, but that is my opinion—that it would be better. That is how the value is arrived at generally—three years.

2427. The valuation of a shop surely does not depend on whether the man in the shop is successful or is a bankrupt?—Certainly not.

Mr. Duke.

2428. You are speaking of goodwill, not of rent, are you not?—Yes.

Sir James Haslett.

2429. I am speaking of valuation—the value of the hotel?—Oh no, I am only talking of the goodwill.

2430. That is the bargain between man and man as to getting into it?—Yes.

2431. Surely you do not mean to say you would advocate putting forward the question of profit, made by the concern as qualifying the rent?—No, I am only talking about the value of the goodwill.

2432. I understood the temperance hotels were less valuable, room for room, over Ireland, than licensed hotels?—You see you have to take these things by results, and many of these unlicensed hotels are paying very much better than the licensed ones, but there is not the same amount of money invested.

2433. There is not the same amount of money invested it may be, but they are limited in their customers to some extent; that is to say, those who want to avail themselves of a general tariff go to other hotels?—They are not limited in any way; they can trade openly and freely, and anything visitors want they can get for them.

2434. That does not enter into the profit of the concern proper, the getting of a bottle of porter, for instance?—It is surmised that there is some sort of percentage obtained upon it.

2435. There cannot be, according to the Licensing Act?—I do not say it can be legally done; I do not say it is so; I leave that to your own consideration.

2436. That is as bad as the House of Commons?—I should not like to say that it is so, but it is open to question.

[Adjourned to February.]

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APPENDIX.

APPENDIX, No. 1.

PAPER handed in by Sir John Barton, C.B.

STATEMENT as to the HISTORY, METHOD, and PRACTICE of VALUATION for RATING PURPOSES in IRELAND.

The valuation of rateable property in Ireland, from which all local rates are apportioned, was made by Sir Richard Griffith, the first Commissioner of Valuation, between the years 1825 and 1855, since which time it has been annually revised by his successors in office.

Valuation in Ireland made between 1825 and 1855.

First Government Valuation for Rating Purposes.

The first Government Valuation of Ireland for rating purposes was made under the following Acts:—

- 7 Geo. IV. c. 69, amended by—
 1 & 2 Wm. IV. c. 51.
 2 & 3 Wm. IV. c. 73.
 4 & 5 Wm. IV. c. 55.
 6 & 7 Wm. IV. c. 84.

First Government Valuation (1825-55).

It was described in these Acts as being for "the more equal levying of grand jury cess and rates." The township was made the unit of value. The valuation of the land was based on a scale of agricultural prices set out in the first-named Act. This scale was formed on the basis of the average prices of Agricultural produce throughout the principal maritime markets of Ireland.

Township the unit of value.

An regards the valuation of houses, the Act of 1825 (7 Geo. IV. c. 69) provided that they were to be valued at the rent they would let for, one year with another, deducting therefrom one-third part of such sum or rent. Under section 10 of 6 & 7 Wm. IV. c. 84, no house of a low value than 5*l.* per annum was to be included in the valuation lists. Mills and factories were to be valued, but water-power only so far as actually used. All property of a public or charitable nature was exempted from rating.

On the valuation made under the aforesaid Acts the county rates were to be levied. The valuation was commenced in 1825, and stopped in 1845, when the whole of Ireland, with the exception of six counties, had been valued and the valuation lists formed.

Second Government Valuation for Rating Purposes (Partial).

In 1840 the Poor Law Act (1 & 2 Vict. c. 68) came into force, and under it a separate valuation for each township became necessary, and as it was found that the dividing up of the township valuation by local values was not satisfactory, Lord Clarendon, the then Lord Lieutenant of Ireland, ordered the remaining six counties to be valued in townships. This was carried out for poor law purposes on the lines laid down in the Valuation Act of 1825 (7 & 8 Vict. c. 130), which specified that the valuation for these purposes was to be made on the principle of the net annual value of lands and houses, whilst for county cess the valuation was confined on the lines laid down in the Act of 1825, i.e. for land on a scale of prices.

Second Government Valuation (1846-52) was a valuation of townships in certain counties only.

The Act of 1840 also provided that houses under 5*l.* valuation were to be included in the valuation lists, and the provision made in the earlier Act for the deduction of one-third was omitted.

The valuations under this Act were carried on for six or seven years, but the process was found so unsatisfactory and expensive that it was abandoned when the Valuation Act of 1845 was passed.

Third Government Valuation for Rating Purposes.

The existing township valuation of Ireland, which is now the basis of assessment for all local rates, and also for some Imperial taxes, was carried out under the Act 15 & 16 Vict. c. 63. This valuation was to supersede the township and township valuations made under the former Acts. It provided that every township and rateable hereditament should be separately valued, and each valuation in regard to land was to be made on an estimate of the net annual value thereof, having reference to the average prices of the several articles of agricultural produce hereinafter specified, all peculiar local circumstances in such case being taken into consideration, and all rates, taxes, and public charges, if any (except tithes rent-charges), being paid by the tenant, that is to say:—

Third Government Valuation (1850-65), which is still in force, included every township and rateable hereditament. Valuation of land was based on average prices of certain articles of agricultural produce.

		a.	s.	d.
Wheat	" " " " " "	7	11	per 112 lbs.
Oats	" " " " " "	4	10	"
Barley	" " " " " "	5	6	"
Flax	" " " " " "	49	—	"
Butter	" " " " " "	25	4	"
Beef	" " " " " "	20	6	"
Mutton	" " " " " "	41	—	"
Pork	" " " " " "	32	—	"

These prices were taken from the general averages of 40 market towns in Ireland, during the years 1840, 1850, and 1851.

The valuation of houses and buildings was to be the net annual value, that is to say, the rent for which, one year with another, the same might in its actual state be reasonably expected, to let from year to year, the probable average annual cost of repairs, insurance, and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes, and public charges, if any (except title rent-charges), being paid by the tenant.

What Hereditaments are Rateable.

Section 12 of the Act defines the rateable hereditaments as follows:—

'For the purposes of this Act the following hereditaments shall be deemed to be rateable hereditaments, viz.: All lands, buildings, and open mines; all commons and rights of common, and all other profits to be had or received or taken out of any land; and in the case of land or building used exclusively for public, scientific, or charitable purposes, as hereinafter specified, half the annual rent derived by the owner or other person interested in the same, so far as the same can or may be ascertained by the said Commissioner of Valuation; and all rights of fishery; all canals, navigations, and rights of navigation; all railways and tramroads; all rights of way and other rights or easements over land, and the tolls levied in respect of such rights and easements, and all other tolls: Provided always, that no turf bog or turf bank used for the exclusive purpose of cutting or saving turf, or for making turf-mould therefrom, for fuel or manure, shall be deemed rateable under this Act, unless a rent or other valuable consideration shall be payable for the same. And provided also that no mines which have not been opened seven years before the passing of this Act shall be deemed rateable until the term of seven years from the time of opening thereof shall have expired; and no mines hereafter to be opened shall be deemed rateable until seven years after the same shall have been opened; and mines long since re-opened after the same shall have been long since abandoned shall be deemed as opening of mines within the meaning of this Act.'

It is further enacted that no lands or hereditaments were to be rated in respect of any increase in value from drainage or reclamation for a period of seven years after the said drainage or reclamation had been carried out.

All property of a public nature, or used exclusively for charitable purposes, or the purposes of science, literature, or the fine arts was to be exempt from rating; and for seven years after they were opened, turf bogs and mines were not to be rated.

Provisions were made under which persons dissatisfied with the valuations might appeal to the quarter sessions, whose decision was to be final.

Method of Procedure.

This valuation, which was carried out by Sir R. Griffith, commenced about 1850, and was completed in 1855. The work was begun in the South of Ireland, and ended in Ulster.

The procedure was as follows:—When a surveyor commenced work in a district he ascertained and registered the names of the occupiers and immediate lessees in each townland on certain forms. He then determined the boundaries of the several holdings and marked them on the Ordnance Survey maps, numbering them to correspond with the schedule of occupiers. The areas of the several holdings were then computed and checked with the total area of the townland in which they were situated.

Each district was then divided into "quality lots," i.e., areas in which the land was of equal value throughout, and on each of these a value was placed after careful examination, and noting in the field books particulars of the soil, subsoil, aspect, &c.

In this valuation of the land, which was made separately by two valuers, and where a difference occurred checked by a third, due account was taken of climate as affected by altitude, proximity to sea and facilities for getting seaweed and bog for manure and fuel respectively, facility for getting lime, proximity to market towns, and their cost and importance.

In the case of mines, quarries, and potteries, the receipts for an average of years were taken as a basis of valuation; similarly railways, canals, fisheries, waterworks, garworks, &c., were valued on net receipts, and their valuations divided among the various rating areas in which they were situated, according to their respective values in each. In these valuations due allowance was made for interest on floating capital, tenant's profits and depreciation.

The valuation of buildings where no rent was paid was based on an estimate of the sum which the value considered fairly represented what they would let for, one year with another, and this was determined, to some extent, by the cost of the buildings as deduced from measurements. Their age, position, and solidity were also taken into account.

The field books from which the first valuation lists were compiled are now lodged in this Department, and together with those lists and the several succeeding lists, in which are shown every variation that has taken place in the rateable valuation of Ireland since this valuation was made, are an invaluable record of the valuation of rateable property in Ireland since 1850.

The valuation lists as they were completed were issued to each Board of Guardians, each Grand Jury, and each municipal rating authority, on certain forms specified in 23 Vict. c. 4.

These lists are used for the levying of poor rates, water and drainage rates, municipal rates, licence duties and income tax. They are also employed for the assessment of the police tax in Dublin, and the Water Commissioners rates in Belfast.

Annual Revision of the Valuation.

A revision of the valuation is made each year by the Valuation Department, Ireland.

In carrying out this annual revision the method of procedure is as follows:—

On the 15th June each year every Collector of Poor Rates in each Urban and Rural District makes out and delivers to the Clerk of the Urban District or Secretary of the County Council respectively, to be by him laid before the Rating Body, a list of all tenements or hereditaments within his District, where the valuation shall require revision for any of the following reasons:—

First, where the limits of the tenements have been altered; and

Second, where any property, the annual value of which is liable to frequent change, such as buildings, fisheries, railways, canals, &c., requires to be increased or diminished.

Further, any ratepayer in the District may, before the same date, deliver to the said Clerk or Secretary a list of any tenements the valuation of which shall, in his opinion, require revision.

These lists after being open for public inspection for ten days, and then submitted to the Local Rating Authorities, are to be transmitted to the Commissioner of Valuation with the opinion of the said Rating Authority as to whether such revision is necessary on account of such changes and alterations.

Definition of "Rateable hereditament" as given in the Act under which existing valuation was carried out.

Exemptions from rating.

Appeals.

Date of valuation and procedure.

Matters considered by valuers.

Valuation of mines, railways, and similar properties.

Valuation of buildings never let.

Field books and valuation lists kept at Valuation Department.

Valuation lists.

Purposes for which used.

Annual revision of Valuation Procedure.

A revision of all cases thus brought under notice is then made by officers of the Valuation Department, who go down to each District and visit each farm or house where revision is asked for, and raise, lower, or otherwise alter, or confirm the valuation as the case may require; but under no circumstances, except where a clerical error is discovered, may the total valuation of the lands independently of the buildings, within each respective townland or other decimation, be increased or lessened.

No revision of valuation of land.

On or before the 1st March in each year revised valuation lists are issued by the Commissioner of Valuation to the Secretary of every County or County Borough Council, and the Clerk of every Urban District showing the valuation of every rateable hereditament in the County, County Borough, or Urban District respectively, revised accordingly, and to each Rural District Council lists are sent showing all changes affecting valuation made within the area over which their powers extend.

Revised lists sent to rating authorities

These revised lists are made public by the Local Rating Authorities through notices posted in the district, stating that the lists are open for inspection at the county or district offices. Any person feeling aggrieved with the valuation placed on his property, or the rating authorities, if not satisfied, may appeal within twenty-eight days. The appeal is first to the Commissioner of Valuation, and if dissatisfied with his decision, to the Court of Quarter Sessions. There is a further appeal to the higher Courts on a point of law through a case stated.

Appeal procedure.

The work is carried out each year between July and the first day of the following March, the field work being commenced in the former month, and all the lists being issued to the various counties and districts on or before March 1st.

Period during which revision is carried out.

Taking the average of the last few years, the cases dealt with during the annual revision were as follows:—

Alteration of farm boundaries, division of townlands, &c.	- - -	9,000 to 10,000
New houses valued	- - -	4,000 to 5,000
Houses revealed on account of structural alterations	- - -	2,000 to 3,000
Valuations reduced or struck out owing to fall in rent value or dilapidation	- - -	6,000 to 10,000
Roadways, canals, fisheries, &c.	- - -	about 500

Number of cases revised each year.

In addition to these, something like 100,000 changes in names are carried out in the lists each year.

The number of appeals to the Commissioner vary considerably each year, but average about three to four hundred. From the Commissioner to the Quarter Sessions the average number is under ten, and from the Quarter Sessions to the higher Courts from two to three.

Number of appeals each year.

Under this annual revision, though no change can be made in the valuation of land, which now stands at about 9,000,000—practically the same as it was in 1850—there is still, as may be seen from the first item in the above list, a very large amount of work to be done in registering the various changes which take place each year in the boundaries of holdings. A survey of each of these changes is made, and the result shown on the maps of the Department. The new areas are then calculated, and the valuation apportioned from the original documents showing the various "quality lots."

Valuation of land not altered, but changes in boundaries of holdings are registered.

The revised areas and valuations are then carried into the valuation lists. Except where structural alterations have been made, the valuations of buildings are not, as a rule, brought under the notice of this Department by the rating authorities, consequently many houses which have increased very much in rent value since 1850-60 remain at their old valuation. On the other hand, wherever property has fallen in value, the case is at once brought under notice by the owner or occupier, and if the net profit rent has fallen below the valuation, a reduction is made in the latter.

Increases in value of buildings not recorded, but decreases are.

Valuation of Government Property.

Government property in Ireland is valued in precisely the same manner as other property of a similar nature liable to be rated. A return of all Government property is furnished by the Valuation Department every year to the Treasury, on which a contribution in lieu of rates is paid to the various rating bodies in whose area of jurisdiction the property is situated.

Government property valued in same way as other property.

Property Exempt from Local Taxation.

The property in Ireland, which, under the Valuation Acts (as 22 and 26 of 15-16 Vict. c. 43, and a 2 of 17 Vict. c. 8), is to be exempted from local taxation is thus defined. It must be of a public nature, or used for charitable purposes, or for the purposes of science, literature, and the fine arts.

Exempted property.

In all cases of exemption where a rent is derived out of the property, half such rent is liable for taxation; and, when ascertained, is entered in the valuation lists among the rateable hereditaments. This applies also to Government property, the Treasury contribution being made after deduction of the rates on the half rents paid. Under 1 & 2 Vict. c. 35, churches, chapels, or buildings used for religious worship or education of the poor, burial grounds, cemeteries, infirmaries, hospitals, charity schools, or buildings used exclusively for a charitable purpose, except where private use or profit is derived therefrom, are exempted from poor rates.

There is no doubt that the exemptions from rating in Ireland are very much more general than they are in England; such institutions as hospitals, asylums, harbour property, &c., which would be rated in England, are here freed from taxation.

Exemptions more general in Ireland than in England.

Assessing Valuation Acts.

Since the passing of the Revision Act of 1854 (17 Vict. c. 8), three valuation Acts have been added to the statute books. 23 Vict. c. 4 gives power to the Treasury to contribute to the cost of the annual revision of the valuation, and to appoint the Commissioner of Valuation. It specifies the form in which the valuation lists are to be issued, and allows the local rating authorities in compiling their rate books, to make such departures from the particulars contained in the valuation lists as may be necessary to enable them to make a valid rating, but such departures must not affect the value of any item in the said valuation lists. Further, under its water or other motive power, but not the machinery in any mill or watercourse, is to be valued. It sanctions the issuing of copies of valuation lists and maps to the courts, public bodies, and individuals at a scale of fees, and provides that such copies may be received as evidence in a court of law. Power is given to take all appeals where a point of law is involved to the higher Courts, the appeal as to value only stopping at the Quarter Sessions Court.

There was no act in form of list rating in respect of machinery, appeals, &c., contained in Revision Act of 1854.

27 & 28 Vict. c. 32 enables the County or Urban District Councils to appeal from the revised valuation to the Quarter Sessions Court.

Appeal by County and Urban District Councils.

37 & 38 Vict. c. 70 gives the Treasury power to fix the salaries and allowances of the staff of the Valuation Office, and provides that the various counties in Ireland shall refund to the Treasury a portion of the cost of the annual revision of the valuation. In a schedule attached to that Act the sum payable by each county is set out. The total is 5,000*l*.

Cost of annual revision and original valuations.

§0 Vict. c. 17 allows appeal cases to be taken to the Court of Appeal. The cost of both the township and assessment valuations was, in the first instance, met by the Treasury, but the whole sum was repaid by the grand jury.

Annual Cost of the Valuation Department.

Expenditure of Valuation Department and source from which met.

The cost of the Valuation Department amounts to about 21,000*l.* per annum. This is met (a) by 8,000*l.* received from the counties; (b) by fees for certificates and maps, which amount to about 1,600*l.* per annum; and (c) the balance by a vote of Parliament.

Of this sum, the cost of the yearly revision is about 17,700*l.*; approximately 800*l.* is spent in furnishing certificates and maps to the public, and about 1,600*l.* in reviewing the valuation lists and maps used in the office and furnished to the rating authorities, and the balance (say, 1,900*l.*) is chargeable to the boundary survey work, carried out by the Commissioner of Valuation in his capacity of Chief Boundary Surveyor, under 17 Vict. c. 17, 30 & 31 Vict. c. 45, 22 & 23 Vict. c. 8.

General Remarks.

Valuation in 1867. Increase since that date.

The rateable valuation of Ireland has increased from 12,975,000*l.* in 1847 to 16,000,000*l.* in 1902. Of this sum 8,100,000*l.* in the former year and 8,065,000*l.* in the latter represents land. Defining the land valuation, the increase in the valuation of rateable property during the above period is 63 per cent.

Though it is now some 30 years since the existing Tenant Valuation of Ireland was completed, and over 50 years since it was commenced, no change has been made in the rateable value of land, and only partial and irregular revision of the valuation of other rateable property. Large tracts of country have been drained, reclaimed, and otherwise improved, but no increase has been made in their valuation; while on the other hand land has deteriorated without a corresponding reduction. The rateable value of other property such as houses, railways, canals, often remains unchanged, though their letting value has largely increased. This is owing in most cases to the action of the Rating Authorities in the past.

In valuing houses and other rateable property in the various rating areas it is now necessary to make large deductions from their true rateable value in order to bring the new valuations into line with the existing valuations of other rateable property in the rating area. These deductions to make the particular valuation under review relative to the other valuations in the same rating area vary in different districts from 5 per cent. to 25 per cent.

There are also considerable discrepancies in regard to exemptions. The Valuation Acts left the question of exemptions very open, with the result that an immense amount of property, which in England would be taxed, is in Ireland freed from rating. The decisions of the Law Courts have left these questions in a very undecided and unsatisfactory state.

In England the well-known *Manney Docks* case practically limited the exemption of property used for public purposes to that in the hands of the Sovereign, or occupied by the servants of His Majesty; but in Ireland, in consequence of the decision in the case of *The Guardians of Londonderry Union v. Londonderry Bridge Commissioners* the exemption under this heading has been considerably extended—Harbour Commissioners' property, County Asylums, and County Offices, and some colleges being exempted. Whilst all National Schools are exempt, it has been decided in the case of *Heron v. Monaghan* that the schoolmaster's residence when separate from the school was to be rated. On the other hand the residence of the Christian Brothers, who were teachers in certain Intermediate Schools in Belfast (*Belfast Guardians v. Ryan*), were exempted.

In the *Limerick Gas* case (*Mayor of Limerick v. Commissioner of Valuation*) it was decided that though the surplus profits from the gas works, then in the hands of the Corporation, were used in reducing the town rate the property did not come within the definition "public purposes" as used in the Valuation Acts.

As regards the exemption for charitable purposes in the *De la Salle* case (*Guardians of Waterford Union v. Barton and others*) Chief Baron Pollock laid down that the word "charitable" was to be read not in the popular sense of the term, but in its legal or technical one, and he then held that when a private profit may result to the occupiers as such then the property ought not to be exempt.

In the case *trustees of the Magna College v. The Commissioner of Valuation*, it was decided that as, in addition to a fixed salary paid under a Trust, the professors received fees from the pupils, the college was not to be exempt.

22 July 1902.

(signed) *John G. Barton,*
Commissioner of Valuation.

APPENDIX, No. 2.

PAPER handed in by Mr. James Henry.

VALUATION ROLL PAPER.

Page . Valuation Roll for the City and Royal Burgh of Glasgow, for the Year 1902-1903. Parish of Glasgow.

Description and Situation of Subject.		Proprietor.	Tenant.	Occupier.	Inhabitant-Occupier. Not rated (48 Vict. c. 2, ss. 3 and 4).	Fen-Duty or Ground Annual.			Yearly Rent or Value.				
No.	Description.					Situation.	As estimated by Assessor.			As adjusted on Application or Appeal.			
						£	s.	d.	£	s.	d.	£	s.

VALUATION OF LANDS and HERITAGES for the City and Royal Burgh of Glasgow, for the Year 1902-1903, in Terms of the Act 17th and 18th Vic. c. 91, and Acts amending the same.

Statement to be returned by the Proprietor of the Premises referred to on the back hereof and below, for the Year from Whituesday, 1902, to Whituesday, 1903.

For Property	Street	Fen Duty & Ground Annual	Amount.		
			£	s.	d.

DECLARATION.

I,
do hereby declare, that all the particulars required in this Notice to be returned as appertaining to me, in relation to the Property above referred to, are justly and truly stated herein.

Dated this day of 1906.

Signed Proprietor
Address

TENANT'S DECLARATION.

Section

No

VALUATION OF LANDS and HERITAGES, City and Royal Burgh of GLASGOW.

Statement of the Fen Duty or Ground Annual, in respect of the undernoted Lands and Heritages for the Year ending Whituesday, 1903.

To

This Schedule, which refers to Property belonging to you, or under your charge, situated at
must be filled up and delivered free of charge, to me, at my office, City Chambers, 249, George Street, Glasgow, within fourteen days from this date, under a penalty not exceeding 20s.

Penalty for presenting a False Statement, 50s.

Dated day of May, 1902

JAMES HENRY, Assessor.

C Section

No.

This Section and Number to be quoted in any communication to the Assessor respecting this Notice.

VALUATION OF LAND ACTS.—City and Royal Burgh of Glasgow.

Year 1903-1904.

To the person designated on the back hereof.

Take Notice, in terms of the Valuation of Lands Act, 17 & 18 Vict. c. 91, and Acts amending the same, that the following is a copy of certain entries in the Valuation Roll of the City and Royal Burgh of Glasgow, for the year from Whit Sunday, 1903, to Whit Sunday, 1904, wherein you are set forth either as Proprietor, or Tenant, or Occupier.

Description and Situation of Subject.			Proprietor.	Tenant.	Occupier.	Inhabitant Occupier Not rated (48 Vic., c. 3, ss. 3 & 9).	Penalty or Ground Annual.	Yearly Rent or Value.	
Description.	Number.	Situation.						£	s.

* The word Proprietors shall apply to Life-renters as well as Firms, and to Trustees, Curators, Commissioners, Trustees, Adjudgers, Wadsetters, or other persons who shall be in the Actual Receipt of the Rents and Profits of Lands and Heritages.

If you think any particular in the above Entries, especially the above Valuation, has been erroneously set forth therein, whereby you consider yourself aggrieved, you may obtain redress by notifying me (the Assessor), on or before the 8th day of September next 1903, that you have well-founded ground of complaint, or you may appeal to the Magistrates of the Burgh, on or before the 15th day of September next 1903, provided that six days at least before such an Appeal is heard (at the Appeal Court, as advertised by the Town Clerk) you instruct to me, in writing, that you intend to maintain such Appeal, which intimation must specify the particulars which you allege should be substituted for those stated above, and specially the amount of valuation which you allege should be substituted for the amount stated above.

(Office hours, 9 a.m. to 5 p.m. Shut at 1 p.m. on Saturday).

Lands Valuation Office,
City Chambers, 248, George Street
Glasgow.

JAMES HENRY,
Assessor.

OWNER'S NOTICE

C

No.

Section

VALUATION OF LANDS ACTS, City and Royal Burgh of Glasgow
Year 1903-1904.

To Mr.

C Section _____

No. _____

This Section and Number to be quoted in any Communication to the Assessor respecting this Notice.

VALUATION OF LANDS ACTS.—City and Royal Burgh of GLASGOW.

Year 1902-1903.

To the Tenant and Occupier designated below.

Take Notice, in terms of the Valuation of Lands Act, 17 and 18 Vict., cap. 91, and Acts amending the same that the following is a copy of an entry in the Valuation Roll of the City and Royal Burgh of Glasgow for the year from Whitsunday, 1902, to Whitsunday, 1903, wherein you are set forth as Tenant and Occupier.

Description and Situation of Subject.			Tenant.	Occupier.	Yearly Rent or Value.	
Description.	No.	Situation.			£	s.

If you think any particular in the above Entry, and specially the above Valuation, has been erroneously set forth therein, whereby you consider yourself aggrieved, you may obtain redress by satisfying me (the Assessor), on or before the 8th day of September next, 1902, that you have well-founded ground of complaint, or you may Appeal to the Magistrates of the Burgh on or before the 10th day of September next, 1902, provided that Six Days at least before such Appeal is heard (at the Appeal Court, as advertised by the Town Clerk) you intimate to me, in writing, that you intend to maintain such Appeal, which intimation must specify the particulars which you allege should be substituted for those stated above, and specially the amount of valuation which you allege should be substituted for the Amount stated above.

Lands Valuation Office,
City Chambers, 283, George Street, Glasgow.

JAMES HENRY, Assessor.

(Office Hours from 9 a.m. till 5 p.m. Shut at 1 p.m. on Saturday.)

APPENDIX, No. 3.

PAPER handed in by Sir John G. Barrow, Bt., 6th November 1902.

TABLE showing the Prices of certain articles of Agricultural Produce as set out in 15 & 16 Vict. c. 63, s. 11, and as shown in Returns prepared by Department of Agriculture, &c., for the year 1901.

PRODUCE.	Prices.		
	15 & 16 Vict. c. 63, s. 11.	1901.	
	Per cwt. s. d.	Per cwt. s. d.	
Wheat - - - - -	7 6	6 42	
Oats - - - - -	4 10	5 9½	
Barley - - - - -	5 6	7 1	
Flax - - - - -	69 -	53 6	Ulster.
Butter - - - - -	65 4	59 2	
Beef - - - - -	35 6	55 3½	Dublin Market.
Mutton - - - - -	41 -	60 8½	Dublin Market.
Pork - - - - -	32 -	48 11½	

I N D E X.

N.B.—In this Index the figures following the Names of the Witnesses, and those in the Digest of Evidence of each Witness, refer to the Questions in the Evidence; the figures following App. to the Pages in the Appendix; and the Numbers following Rep. to the Pages in the Report and Proceedings of the Committee.]

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